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BC-INDONESIA-TIMOR-1STLD
;BC-INDONESIA-TIMOR 1STLD

Quick end seen to latest Jakarta embassy invasions

(updates with quotes, writes through)

By Jim Della-Giacoma

JAKARTA, Jan 12 (Reuter) - Five East Timorese holed up in the New Zealand embassy in Jakarta were believed to be considering a political asylum request on Friday, while diplomats saw a quick end to the problem of two women in the Australian mission.

Five Timorese youths scaled the perimeter fence of the New Zealand embassy compound earlier on Friday, the latest in a series of break-ins since last September aimed partly at highlighting the plight of their troubled homeland.

Staff at the New Zealand embassy were unable to confirm whether the five had asked formally for asylum.

''My bet it is going to go down the same old road,'' said a source close to the embassy, in Jakarta's Menteng residential district.

A total of 43 East Timorese have been granted refuge in Portugal, the territory's former colonial ruler, since last September, after entering the Dutch, British, Japanese and French embassies. *

All of them left the Indonesian capital, under the auspices of the Geneva-based International Committee of the Red Cross (ICRC), on evening flights of a Dutch airline.

Diplomats said two East Timorese women who entered the Australian embassy on Wednesday, in the first such move by women, were also believed to be considering asylum in Portugal.

''As far as the Australian embassy is concerned, I believe the situation is most probably solved and they will be going to Portugal,'' a diplomat close to the Australian mission said.

Earlier on Friday, Indonesian police said they detained about 10 people outside the Japanese embassy compound, in the main business district, in an apparent asylum bid.

A police officer said they had been taken away by the military after trying to break into the Japanese embassy. He declined to give details and the military was not immediately available for comment.

Indonesia invaded East Timor, 2,000 km (1,250 miles) east of Jakarta, in 1975 after the Portuguese left, and annexed it the following year.

The United Nations still regards Portugal as the administering power in East Timor.

One Timorese source said up to 30 East Timorese youths had arrived from Dili, the Timorese capital, in the past two weeks with the apparent intention of seeking political asylum. The source said at least three Timorese managed to evade capture outside the Japanese embassy.

A total of 112 East Timorese and Indonesian sympathisers staged protests inside the Russian and Dutch embassies last month -- on the anniversary of the invasion -- but left under police guard within three days.

The latest incursions came in the week before talks in London on East Timor between Portugal and Indonesia, chaired by U.N. Secretary-General Boutros Boutros-Ghali.

The two Timorese seeking refuge in Australia have urged a referendum on self-determination in East Timor, withdrawal of Indonesian troops from the territory, the release of political prisoners and the despatch of an international peacekeeping force.

REUTER

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BC-INDONESIA-TIMOR-EMBASSY-(REPEAT)
:BC-INDONESIA-TIMOR-EMBASSY (REPEAT)

Timorese leave New Zealand embassy for exile

JAKARTA, Jan 15 (Reuter) - Five East Timorese asylum seekers, who had sought refuge in the New Zealand embassy in Jakarta last week, left the compound for the airport and exile in Portugal on Monday, embassy officials said.

The five left in a vehicle of the International Committee of the Red Cross (ICRC), accompanied by embassy officials, at 5.30 p.m. (1030 GMT), heading for Jakarta international airport.

They were due to catch a KLM flight bound for Amsterdam en route to Lisbon, officials said.

A total of 50 East Timorese have now been granted refuge in Portugal, the territory's former colonial ruler, since last September after entering the Dutch, British, Japanese, French and Australian embassies.

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BC-TIMOR-CLASH
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Soldiers, civilians said killed in Timor clash

JAKARTA, Jan 15 (Reuter) - Up to seven Indonesian soldiers and two civilians in East Timor have been killed in what local Timorese and other sources said on Monday was the latest in a series of clashes between government forces and guerrillas.

Police sources, a local parliamentarian and diplomats said the soldiers and civilians were shot dead on January 9 when their vehicle was attacked by guerrillas in Leoruka in Viqueque regency, 180 km (112 miles) east of Dili.

Diplomats said the attack was the latest incident in a number of clashes between the army and guerrillas of the National Council of Maubere Resistance (CNRM), who now number in the hundreds after years of fighting Indonesian rule in the former Portuguese colony.

''The army seems to be going deeper into the countryside not to provoke but to make contact with the guerrillas and destroy them,'' one diplomat based in Jakarta said.

Military spokesmen were not immediately available to comment on the reports.

Diplomats estimate there are between 7,000 and 10,000 Indonesian troops in East Timor fighting against some 200 guerrillas in a sporadic war since the army's 1975 invasion.

The foreign ministers of Indonesia and Portugal, still regarded by the United Nations as the territory's administering power, were due to meet under U.N. auspices in London on Tuesday as part of long-running talks on the territory.

Residents said the situation in East Timor continued to deteriorate, with youths fleeing the territory or into hills.

''They have left the city in the hundreds, either to join the guerrillas or to flee the country through Jakarta,'' one said.

Five East Timorese were due to leave the New Zealand embassy in Jakarta for exile on Monday, bringing to 50 the number who have been given refuge in Portugal after scaling the fences of foreign embassies in Jakarta since September.

A resident in Dili, 2,000 km (1,500 miles east of Jakarta), said guerrillas also took 10 soldiers hostage during the January 9 clash. ''The incident took place in the afternoon when the armed forces officers who were conducting a patrol were stopped by the Fretilin (guerrillas),'' he said without giving details.

A military spokesman was not available to comment on the incident.

Diplomats said East Timor in recent months had come under much tighter military control.

Since October, contact by the army and guerrillas, previously kept to a minimum, had increased casualties on both sides, including the December killing of four Indonesian immigrants by guerrillas in the town of Los Palos, they said.

* In the same month, guerrillas surprised and killed two soldiers taking a bath near Viqueque, in what diplomats said appeared to be a reaction to the government's bid to flush out guerrillas from their mountain strongholds.

REUTER

BC-INDONESIA-POLISH-TIMOR
:BC-INDONESIA-POLISH-TIMOR

18 March Timor: Polish Embassy.

Poland voices concern over Jakarta security

WARSAW, March 18 (Reuter) - Poland on Monday expressed its concern to Indonesia that two East Timorese asylum seekers had been able to get past security into its Jakarta embassy on the day the Polish prime minister began a visit to the country.

The two young men entered the embassy earlier on Monday and sought asylum in Portugal, which they were expected to be granted, Foreign Ministry spokesman Pawel Dobrowolski said.

''They are behaving very peacefully, there is no danger to the personnel in the Polish embassy,'' Dobrowolski told Reuters.

He recalled that 12 East Timorese had entered the embassy in late January, and had later gone to Portugal.

''We have called the charge d'affaires of the Indonesian embassy in Warsaw to express our concern that the security measures, especially at such a moment when the prime minister was arriving in Indonesia, have been neglected to the degree that we have again been faced with the same situation,'' he said.

Poland's Prime Minister Wlodzimierz Cimoszewicz is in Indonesia on a four-day official visit and was due to hold formal talks with President Suharto on Tuesday.

Dobrowolski said the International Committee of the Red Cross (ICRC) was aware of the situation and Poland would follow the same procedures to resolve it as during the previous incident.

''Portugal has accepted that the East Timorese will eventually go to Portugal,'' he said, adding that he hoped the issue would be sorted out almost immediately.

Two other East Timorese entered France's embassy in Jakarta on Monday.

Since last September 72 East Timorese have left under ICRC auspices for Portugal, east Timor's former colonial power, after entering various foreign embassies in Jakarta.

Lisbon is still regarded by the United Nations as East Timor's administering power despite Indonesia's 1975 invasion of the territory.

East Timor has faced continued unrest as Indonesian forces seek to subdue a restless civilian population and lingering guerrilla activity in the mountains.

REUTER

BC-INDONESIA-TIMOR-1STLD
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18 March
Poland/France
Embassy

Timorese enter Jakarta missions ahead of talks

(Updates with Timorese entering embassies, writes through)

By Jim Della-Giacoma

JAKARTA, March 18 (Reuter) - Four East Timorese youths broke into the French and Polish embassies in Jakarta on Monday, a day before talks begin in Austria between East Timorese leaders at home and in exile abroad.

One of the break-ins, which involved two youths at the Polish mission, also coincided with the arrival of Polish Prime Minister Wlodzimierz Cimoszewicz in Jakarta on a four-day visit.

It was not immediately clear if those involved in the break-ins were seeking political aslyum or seeking to draw attention to the troubled former Portuguese colony ahead of the dialogue in Austria between March 19-22.

It was the fifth such break-in at the French embassy in Jakarta and the second break-in at Poland's embassy since a wave of East Timorese asylum-seekers began entering foreign missions in the capital in late September.

Since then 72 East Timorese have left for Portugal under the auspices of the International Committee of the Red Cross after entering various foreign embassies in Jakarta.

Some participants in the meeting in Austria, which will focus on social, cultural and economic issues rather than politics, said they expected only modest progress from it.

Indonesia, which rules the territory, has said that political issues should be left to the separate tripartite U.N.-sponsored meetings including the Indonesian and Portuguese foreign ministers as well as the U.N. Secretary-General, which entered a seventh round in January.

The next meeting is to be held in June in Geneva.

But this week's talks will be the first since Indonesia's President Suharto and Portuguese Prime Minister Antonio Guterres met in Bangkok on March 1 at the inaugural Asia-Europe summit, and politics will surely be broached in private.

Guterres offered Jakarta partial diplomatic ties mainly in return for the release of Xanana Gusmao, the East Timor resistance leader who began a 20-year jail term in 1993.

''Hopefully, we can come closer to an agreement on some issues to help development in East Timor,'' one participant, who asked not to be named, said in Jakarta on Sunday before leaving.

''But it will be a long process and the meeting is only a small step,'' the Austria-bound participant told Reuters.

The talks are known as the All-Inclusive East Timorese Dialogue (AEDT).

In the first round of talks last June, 30 East Timorese leaders met in Austria and issued a declaration calling for respect of human rights and the preservation of East Timor's cultural identity.

Participants said the declaration had embarrassed Indonesia because of its reference to human rights. This meant that those living in East Timor would be restrained at this meeting.

''The meeting is also meant to create a conducive atmosphere for the success of the tripartite meeting so that East Timorese can contribute to development in East Timor,'' said Lopez da Cruz, Jakarta's ambassador-at-large for East Timor, last week.

Indonesia invaded East Timor in 1975 and proclaimed it the nation's 27th province in July 1976, a process not recognised by the United Nations, which still regards Lisbon as the territory's administering power.

Sporadic armed and political resistance to Jakarta's rule in East Timor continues to be met with a heavy military presence, which activists blame for human rights abuses there.

REUTER

BC-INDONESIA-TIMOR
:BC-INDONESIA-TIMOR

14 March

Timorese leaders to convene for second meeting

JAKARTA, March 14 (Reuter) - East Timorese community leaders living in exile and in their homeland will meet in Austria for a second time next week to discuss problems in the troubled territory, an Indonesian official said on Thursday.

''The dialogue will be held in Austria on March 19 through 22 and will focus on social, cultural and economic issues,'' Lopes da Cruz, Jakarta's ambassador-at-large for East Timor, told reporters after meeting President Suharto.

Last June, 30 East Timorese community leaders met in Austria under U.N. auspices. They issued a declaration calling for respect of human rights and preservation of East Timor's cultural identity. They also agreed to further talks.

It was the first time East Timorese had been involved in the dialogue on the former Portuguese colony invaded by Indonesia in 1975.

Indonesia proclaimed the territory, 2,000 km (1,250 miles) east of Jakarta, its 27th province in 1976 in a move not recognised by the United Nations.

Da Cruz said on Thursday, the Austrian meeting would aim to create a conducive atmosphere for the U.N.-sponsored talks between Indonesia and Portugal on East Timor which entered the seventh round in January.

''The meeting is also meant to create a conducive atmosphere for the success of the tripartite meeting and so that the East Timorese can contribute to the development in East Timor,'' he said.

Da Cruz said East Timor's outspoken Bishop Carlos Belo, who attended the previous meeting, would be absent this year because of his busy schedule ahead of Easter.

Indonesian Foreign Minister Ali Alatas, his Portuguese counterpart Jaime Gama and U.N. Secretary-General Boutros Boutros-Ghali met in London on January for the seventh round of the tripartite talks.

Both countries described the meeting as constructive and said they would meet again in Geneva on June 29 with the U.N. acting as mediator.

Early this month, Portuguese Prime Minister Antonio Guteres created a minor sensation at the Asia-Europe summit in Bangkok when he made a direct offer to Suharto to restore partial diplomatic relations, severed after Indonesia's invasion.

In exchange, Indonesia should free jailed East Timorese resistance leader Jose Xanana Gusmao and ''guarantee human rights'' in East Timor. Alatas has said Indonesia would look at the proposals.

REUTER

BC-INDONESIA-TIMOR

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18 Mar

Timor 2nd Round All-Inclusive Talks.

Timor talks seen making only modest progress

By Jim Della-Giacoma

JAKARTA, March 18 (Reuter) - Exiled East Timorese leaders will hold a second round of talks in Austria this week with compatriots living in their troubled homeland, but some participants expect only modest progress.

The March 19-22 meeting will focus on social, cultural and economic issues rather than politics, they said.

Indonesia, which rules the territory, has said that political issues should be left to the separate tripartite U.N.-sponsored meetings including the Indonesian and Portuguese foreign ministers as well as the U.N. Secretary-General, which entered a seventh round in January. The next meeting is to be held in June in Geneva.

But this week's meeting of the two groups will be the first since Indonesia's President Suharto and Portugese Prime Minister António Guterres met in Bangkok on March 1 at the inaugural Asia-Europe summit, and politics will inevitably be broached in private.

Guterres offered partial diplomatic ties mainly in return for the release of Xanana Gusmao, the resistance leader in the former Portuguese colony, who started a 20-year jail term in 1993.

''Hopefully, we can come closer to an agreement on some issues to help development in East Timor,'' one participant, who asked not to be named, said in Jakarta on Sunday before leaving for Austria.

''But it will be a long process and the meeting is only a small step,'' the participant told Reuters.

The talks are known as the All-Inclusive East Timorese Dialogue (AEDT).

In the first round of talks last June, 30 East Timorese leaders met in Austria and issued a declaration calling for respect of human rights and the preservation of East Timor's cultural identity.

Participants said the declaration had embarrassed Indonesia because of its reference to human rights. This meant that those living in East Timor would be restrained at this meeting.

''The meeting is also meant to create a conducive atmosphere for the success of the tripartite meeting so that East Timorese can contribute to development in East Timor,'' said Lopez da Cruz, Jakarta's ambassador-at-large for East Timor, last week.

Indonesia invaded East Timor in 1975 and proclaimed it the nation's 27th province in July 1976, a process not recognised by the United Nations, which still regards Lisbon as the territory's administering power.

Sporadic armed and political resistance to Jakarta's rule in East Timor continues to be met with a heavy military presence, which activists blame for human rights abuses there.

One participant from the group living in East Timor said he hoped the exiles would be prepared to accept slow progress so that the Indonesian government would not have an excuse to withdraw support from the AETD process.

One snag at the meeting could be the absence of the influential leader of East Timor's Roman Catholic church, Bishop Carlos Belo, who will be preparing for Easter, next month.

''This year it will be very hard without the bishop there as the vicar-general, Jose Antonio da Costa, does not have the same authority,'' another participant said.

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20 Feb.
Timorese
in
Dutch
Embassy
in Jakarta

Four Timorese leave Dutch embassy in record time

JAKARTA, Feb 20 (Reuter) - Four East Timorese entered the Dutch embassy in Jakarta on Monday seeking asylum and were flown to Portugal via Amsterdam on the same day, an embassy official said on Tuesday.

As the asylum-seekers departed in record time -- the first in under 24 hours since a wave of embassy break-ins started in November 1994 -- four other East Timorese were considering their future after nearly two weeks in the Australian embassy.

A Dutch official, who asked not to be named, said: ''We had four East Timorese in the embassy. They entered at about 8.30 yesterday (Monday) morning.

''We tried to solve this problem together with our own, the Indonesian and the Portuguese governments and they left yesterday (Monday) evening for Portugal,'' he added.

The four young men left for Lisbon via Amsterdam on a scheduled evening flight under the care of the International Committee of the Red Cross (ICRC).

''Their motives were political but they were not very elaborate,'' the official said.

It was the third time since early November that a group of Timorese had entered the Dutch compound and the second time that a group had left for political asylum in Portugal, the former colonial master of troubled East Timor.

On November 7, eight East Timorese burst through the embassy gates. They left for Portugal after 30 hours.

On December 7, the 20th anniversary of Indonesia's military invasion of East Timor, more than 50 Timorese and their supporters entered the embassy in protest at Jakarta's rule.

They all left under police escort three days later. A request by more than 20 Timorese for asylum only minutes before they were ejected was refused by the Dutch.

The latest departures brings to 72 the number of East Timorese who have left for Portugal under ICRC auspices since September last year. Other embassies hit by the wave of asylum bids include the British, New Zealand, Russian, Japanese, Polish and French.

Three Timorese in the Australian embassy from a group of nine who sought political asylum on February 7 were admitted to hospital on Sunday night after not eating for two days. Australian embassy spokeswoman Joanne Eyre said on Monday two other members of the group were also at the hospital and that the four in the embassy foyer had started to eat again.

The nine East Timorese had been told by embassy officials that their cases did not justify granting asylum. Instead, they were invited to apply for visas to travel to Australia or Portugal.

Australia is one of a handful of countries that recognises Indonesian sovereignty over East Timor.

Indonesia proclaimed East Timor its 27th province in 1976 following a 1975 invasion after the Portuguese left. The United Nations still regards Portugal as the territory's administering authority.

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BC-TIMOR 3RDLD (SCHEDULED, PICTURE)

Indonesia guardedly welcomes Portugal's Timor ideas

(adds Indonesian foreign minister's comments)

By Bill Tarrant

Bangk
Manu
Guterres offer

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BANGKOK, March 1 (Reuter) - Indonesian Foreign Minister Ali Alatas gave a guarded welcome on Friday to Portugal's proposals to end a diplomatic quagmire over troubled East Timor.

Portuguese Prime Minister Antonio Guterres created a minor sensation at the inaugural Asia-Europe summit in Bangkok by walking up to Indonesia's President Suharto on Thursday and offering to restore partial diplomatic relations.

In exchange, Indonesia should free jailed East Timorese resistance leader Jose Xanana Gusmao and ''guarantee human rights'' in the former Portuguese colony that Indonesia annexed after invading in 1975, he told Reuters in an interview.

''We are going to look at (the proposals) and see in what context they were made and not brush it off the table,'' said Alatas, who has had fruitless talks for years with his Portuguese counterpart through the U.N. Secretary General's office.

Portugal's offer to open ''interests sections'' in friendly embassies in the two countries was a change of heart, he told reporters. In the past, Lisbon had ''totally rejected'' the idea.

But, he said, ''If the quid pro quo is interest sections vis a vis the release of Gusmao... ''. He then smiled and shrugged.

He confirmed the oroposals would be discussed at his next meeting with Portugal in June in Geneva. ''That's positive.''

Guterres said in the interview it was the best opportunity for a solution since Indonesia invaded the former Portuguese colony in 1975.

The U.N. still recognises Lisbon as the administering power.

It was also the first time since the invasion that leaders of the two countries had met face to face.

''It was unexpected and unprecedented,'' Alatas said.

Guterres told a news conference on Friday that Suharto had told him Alatas had been told to pursue the proposal. ''At least it (the proposal) was not rejected,'' he said.

Guterres said in the interview Portugal still insisted an act of self-determination had to take place in East Timor as part of a final solution.

But he compared the process to Palestinian negotiations for a separate state with Israel. ''It has to be done step by step.''

Alatas said if Portugal was not abandoning demands for a plebiscite in East Timor on Indonesia's annexation then ''nothing much has changed''.

One Western diplomat based in Lisbon said Guterres's direct [illegible] for prospects of reaching a

E-Timor
Guterres oferta
Suharto
1 Março

ORTUGAL-TIMOR
PORTUGAL-TIMOR
tugal's Timor offer carries risks, diplomats say
By David Brough

LISBON, March 1 (Reuter) - Portugal's offer of partial
omatic relations with Indonesia in return for the release of
East Timorese resistance leader is a risky strategy that
d backfire, local media and diplomats said on Friday.

''The proposal has multiple risks,'' Jorge Wemans, deputy
or of Lisbon newspaper O Publico, wrote in an editorial.

''Indonesia could present the acceptance of interest sections
friendly embassies) as Portugal's first step towards
owledging the situation now prevailing in East Timor
onesian occupation),'' he wrote.

''(But) If Indonesia says No, Portugal will have to get even
her. The abandonment or freezing of bilateral meetings under
auspices would be inevitable,'' he added.

Prime Minister Antonio Guterres met Indonesian President
rto t a summit of European and Asian leaders in Bangkok on
sday and offered a deal over East Timor.

It involved the opening of interest sections in friendly
ssies in Lisbon and Jakarta in return for the release of
rese resistance leader Xanana Gusmao.

Guterres said Suharto neither accepted nor rejected the
osal, but agreed to discuss it within the framework of
teral talks under the auspices of the United Nations.

Indonesian officials did not immediately react to the
osal, which caught many by surprise.

Portugal and Indonesia have been at loggerheads over East
r since Indonesia invaded the former Portuguese colony in
and subsequently annexed it in defiance of the United
ons.

The U.N. still recognises Lisbon as the administering power.

One Western diplomat based in Lisbon said Guterres's direct
oach to Suharto was good news for prospects of reaching a
tion to the East Timor problem.

''We would applaud any move by Portugal to sort this thing
said.

But another diplomat expressed scepticism that the
nesians would free Gusmao, who was sentenced to life
isonment, later commuted to 20 years, after a controversial
in May 1993.

''I can't see the Indonesians releasing Gusmao,'' he said.
smao is too much of an emotive figure. Indonesia might be
ing themselves far too much trouble and it wouldn't be worth

''Indonesia wants the whole thing downplayed, and the release
usmao would have the opposite effect. If he went into exile
ortugal, that would put him on a collision course with
nesia.''

Diplomats said Portugal and Indonesia faced difficult talks
d over self-determination in East Timor. Guterres has
ared the process to Palestinian negotiations for a separate
e with Israel.

Prominent East Timorese gave a guarded welcome to Portugal's
r for partial diplomatic ties with Indonesia.

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1 March Tuesday

BC-TIMOR-HISTORY (SCHEDULED)

East Timor's history from spices to conflict

JAKARTA, March 1 (Reuter) - Indonesia invaded mainly Roman Catholic East Timor on December 7, 1975, after civil war erupted on the spice island following the withdrawal of Portuguese colonial authorities several months earlier.

Indonesian airborne and ground troops toppled the leftist Fretilin party, which had established a de facto government and issued an independence proclamation in the territory.

Human rights groups said up to one-third of the population, or about 200,000 people, died during the invasion and subsequent fighting and famine in East Timor.

The invasion took place after a visit by U.S. President Gerald Ford to Jakarta, capital of mainly Moslem Indonesia and some 2,000 km (1,250 miles) west of East Timor.

Indonesia's President Suharto said later he could not tolerate ''a Cuba in our backyard''.

Early in the 16th century, the Portuguese set up a trading outpost on the eastern half of Timor island, straddling a shipping route between Australia and New Guinea.

They found the island a plentiful source of sandalwood, prized for its aroma and medicinal oil.

A division of the island in the 19th century gave Portugal the east, while the Netherlands, the colonial power in the rest of the old East Indies islands, was given the remainder.

Japanese and Australian troops fought on the Portuguese half of Timor during World War Two, in which up to 60,000 East Timorese were killed.

The Allies feared Japan would use the island as a base to launch an invasion of Australia.

Following the war, Portugal rehabilitated the coffee and sandalwood plantations but left the island largely undeveloped.

After a military coup toppled the dictatorship of Antonio Salazar in Portugal in April, 1974, the new leftist government sought to discard remnants of the country's empire.

It hastily withdrew from East Timor, roughly the size of Northern Ireland, sparking civil war.

Indonesia declared Indonesia its 27th province on July 17, 1976, seven months after the invasion, having pushed Fretilin insurgents into the hills.

The United Nations has never recognised the takeover and still regards Portugal as the administering power.

Fretilin guerrillas mounted regular attacks on Indonesian troops for years after the invasion from hideouts in the rugged, mountainous interior.

Up to 80 percent of Timorese abandoned, or were forced to leave, their homes during the fighting.

Now, the government and foreign military sources put the number of Fretilin guerrillas at around 200.

On November 12, 1991, witnesses said Indonesian troops in Dili, East Timor's capital, killed up to 200 protesters marching to the grave of a Timorese activist killed by troops.

An Indonesian commission of inquiry on December 26, 1991, revised the official toll from 19 to ''about 50'' and said the protesters acted belligerently and showed liberation banners.

Then armed forces commander Try Sutrisno, now Indonesia's vice-president, said in Jakarta a day after the killings: ''These ill-bred people have to be shot...and we will shoot them.''

In November, 1992, Indonesia captured Fretilin leader Xanana Gusmao. He was sentenced to life imprisonment on charges of rebellion and possession of firearms in May, 1993. The sentence was later commuted to 20 years.

In November, 1994, on the third anniversary of the Dili massacre, 29 Timorese students climbed the railings of the U.S. embassy in Jakarta for a sit-in to demand Gusmao's release.

The break-in was only days before Indonesia hosted a summit of Asia-Pacific economic leaders at Bogor, near Jakarta.

BBN 10:21 Thousands Riot in Indonesia's Irian Jaya; Market Destroyed

Thousands Riot in Indonesia's Irian Jaya; Market Destroyed

Jakarta, March 18 (Bloomberg) -- Thousands of people rioted in the Indonesian province of Irian Jaya today, attacking a market and government offices, United Press International said. The rioting began at the end of a funeral procession for separatist leader Thomas Wanggai, who died last week in a Jakarta jail. A market near the provincial capital of Jayapura was burned down and rocks were thrown at government offices, UPI said.

Last week, hundreds rioted in and around the Irian Jaya town of Timika in protest of the nearby mining operations of Freeport-McMoRan Copper & Gold Inc. Irian Jaya, which is the Indonesian half of the island of New Guinea, was incorporated as the 26th Indonesian province in 1964; there have been sporadic independence movements ever since.

Irian Jaya
Thousands
Riot
→
Jayapura
Thomas
Wanggai
Dies in
jail

(UPI, 3/18/96)

-- Dan Murphy in Jakarta (62 21) 391-6980
through the Singapore newsroom (65) 439-0579 dc

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E. Timor.
13 Jan.

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:BC-PORTUGAL-TIMOR

Jaime Gama
Indon.
Visit

Portugal minister says would see Xanana in Jakarta

LISBON, Jan 13 (Reuter) - Portuguese Foreign Minister Jaime Gama was quoted as saying on Saturday that he would visit Indonesia if the authorities gave him permission to meet jailed East Timorese resistance leader Xanana Gusmao.

''I am willing to go to Jakarta if the Indonesian authorities allow a meeting with Xanana Gusmao,'' Gama told the Portuguese news agency Lusa.

Xanana, 47, was captured by the Indonesian authorities in 1992 and jailed for life in 1993 after a controversial trial. President Suharto later reduced the sentence to 20 years.

Xanana had led a ragged band of guerrillas opposing Indonesia's rule in East Timor and has been a thorn in the country's side as a symbol of East Timor's plight and a focus of international concern since his capture.

* Indonesia invaded the former Portuguese colony of East Timor in 1975 and annexed it the following year in a move not recognised by the United Nations. The U.N. still recognises Lisbon as the administering authority.

Gama played down hopes that U.N.-sponsored talks on East Timor in London next Tuesday would make a breakthrough.

He told Lusa he did not have ''great expectations'' about the talks with his Indonesian counterpart Ali Alatas and U.N. Secretary General Boutros Boutros-Ghali.

In a separate development, two Timorese women who had entered the Australian embassy in Jakarta this week seeking ''protection and asylum'' arrived in Portugal on Saturday, Portuguese state radio reported.

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THE TIMES

26/01/96
pg.9

1

Timor-Leste

JRP

Lisbon raises hope of East Timor deal

By David Watts

THE election of a new Portuguese Government appears to have opened the way to the solution of a problem half a world away. Indonesia believes prospects for settlement of the East Timor dispute are improving after the first meeting between Ali Alatas, the Foreign Minister, and Jaime Gama, his new Portuguese counterpart, in London.

"Gama is a person who is open and sincere in his desire to find a way out of this problem," Mr Alatas told *The Times*. The new atmosphere augurs well for more talks later in Geneva. But with resistance continuing, the fundamentals of the 20-year-old dispute remain much the same, despite new support for Jakarta from Australia through a security treaty.

The United Nations regards the territory as remaining under Portuguese administration. Mr Alatas said: "The Portuguese decolonisation process went wrong, as it went wrong in Angola and Mozambique. It happened in the middle of a civil war that they had created . . . But the difference with Angola and Mozambique was that in their cases the Portuguese recognised that a self-determination process had taken place. With East Timor, that did not happen."

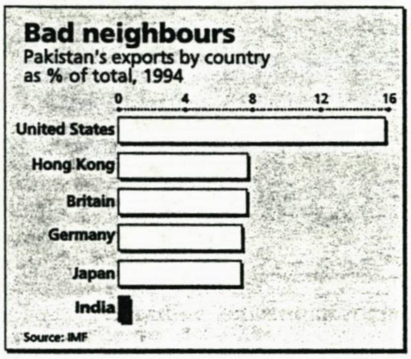
Pakistan's least-favoured nation

LAHORE

OVER my dead body, fumes the editor of a conservative newspaper in Lahore. "We will be swamped by the enemy," asserts another. The uproar arises from Pakistan's intention to grant most-favoured-nation trading status to the old enemy, India.

Under the provisions of an agreement signed with the World Trade Organisation (WTO) a year ago, Pakistan is committed to ending discriminatory trade barriers against 106 countries, including India. Also, after years of foot-dragging by Pakistan, the seven countries of the South Asian Association for Regional Co-operation agreed last December to ratify their Preferential Trade Association. Members of this group have promised to offer each other a 10-25% preferential cut in tariffs on a range of goods.

Since India and Pakistan went to war in 1965, trade between the two countries has been severely restricted. Officially, Pakistan's imports from the seven South Asian countries amounted to only $138m in 1994. But unofficial trade flourishes. About $1 billion in intermediate and capital goods from India reaches Pakistan every year via countries such as Dubai, Singapore and Hong Kong. Smuggling across the 1,000-kilometre (625-mile) border which divides the two countries is thought to account for another $1 billion in trade every year. An official Indian study estimates that, if trade were liberalised, Indian exports to Pakistan would be about $2.5 billion a year.


Bad neighbours
Pakistan's exports by country as % of total, 1994

Source: IMF

Many Pakistanis worry about that. Some interest-groups fear that cheap Indian imports would swamp local markets and hurt Pakistan's protected consumer and engineering industries. The mullahs fear that secular Indian culture might undermine Islamic Pakistan. National security "experts", the army and conservative Muslims are against a thaw with India, until the status of Kashmir is settled: the two countries have gone to war over it twice since independence in 1947, and tensions are once again high. The most rabid India-haters, who write for the vernacular press, always keep popular resentments bubbling.

However, in contrast to the India-hating journalists, most Pakistani businessmen have given a cautious welcome to trade with their neighbour. The chairman of the Federation of Pakistan Chambers of Commerce and Industry, S.M. Muneer, claims that his organisation is ready for free trade with India because "75% of the people are poor and trade with India will help in reducing the prices of many goods". But Mr Muneer, like many of his colleagues, also wants some local industries to be protected before Pakistan goes ahead and grants India most-favoured-nation status.

As for Pakistan's government, nervously trying to balance the demands of the WTO with a 48-year legacy of hatred? "We are still thinking about it," says Ahmad Mukhtar, the commerce minister.

Biju Patnaik, a former chief minister of the state of Orissa and now the leader of the Janata Dal party, has called for military rule as the only way to restore morality to politics. Given India's size, diversity and political traditions, a coup is today unachievable. But Mr Patnaik has shown that it is no longer unthinkable.

Indonesia

Forgotten rebels

A CHANCE encounter with a group of Europeans offered an unexpected opportunity for a raggle-taggle guerrilla army in one of the world's most inaccessible regions. The Free Papua Movement, known as the OPM, has been fighting an intermittent war against Indonesian troops in the province of Irian Jaya for the past 30 years, without attracting much attention anywhere else. The decision by a local OPM commander to kidnap a team of four British students, two Dutch researchers and one German, along with a group of Indonesians, has served as a reminder that it is not just in East Timor (see page 16) that Indonesia faces armed opposition.

Diplomats representing the hostages were at first anxious that the Indonesian army would charge in with guns blazing. The soldiers sent to find the kidnappers are from an elite regiment, known for its rough treatment of separatist rebels. But, mindful that the world was watching, the Indonesians chose to tread carefully. General Prabowo Subianto, the man put in charge of the negotiations, is a slick operator and a son-in-law of President Suharto. By January 24th, over half of the hostages—though only one of the foreigners—had been released without violence.

Whatever the eventual outcome, the OPM is bound to feel it has gained valuable publicity from the kidnapping. Its lack of equipment and training has led to it being dismissed as a "T-shirt army". The guerrillas have never posed much of a military threat, but they have been able to exploit the resentment felt by local people at Indonesia's heavy-handed rule to provoke incidents guaranteed to discomfort their rulers in distant Jakarta.

0
Km
300
IRIAN JAYA
Jayapura
PAPUA NEW GUINEA
INDONESIA
Arafura Sea
Darwin
AUSTRALIA

In 1984, after a series of pro-independence demonstrations, thousands of villagers fled over the border into Papua New Guinea to escape the Indonesian army. Many of those refugees are still in camps, which provide a haven for the OPM.

For Indonesia, the kidnapping has directed unwelcome attention at the way it deals with its unruly outer provinces. Despite the best intentions of ministers in Jakarta, who would like to bring all the benefits of modern civilisation to Irian Jaya, the local Papuans are short of work and treated with contempt by many of the Javanese sent to govern them. In part this is an inevitable result of the misunderstanding between two very different cultures. Many of the Papuans still live a primitive existence, with values closer to those of Australia's aborigines than of the Asiatic Javanese. But the Indonesian government's obsession with creating national unity among its diverse citizens has obscured the need for a sensitive approach towards their different problems. The kidnapping is unlikely to change that.

treaty requires them to scrap their most potent weapons—land-based, multi-warhead SS-18 missiles. But as Russia modernised its nuclear forces, these weapons—on a hair trigger because of their own vulnerability to attack—would have needed to be replaced, in Russia's own interests, by harder-to-hit submarine-based ones. Under START-2, Russia can trade these and other limits for similar curbs on America's nuclear forces. Others mutter that if NATO expands to take in some new members, as it may eventually do, then Russia will need to keep more weapons, including nuclear ones. Russia has genuine concerns about a bigger NATO. But hanging on to thousands of unneeded long-range nuclear weapons—and prompting America to do likewise—will weaken Russian security, not strengthen it.

A lot left to lose

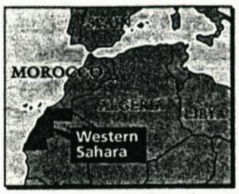
START-2 has its flaws. It requires the destruction only of launchers—missiles and bombers—not the nuclear warheads they carry. In fact, both sides are taking apart large numbers of surplus warheads, not just from strategic weapons but from short-range and medium-range ones too. Yet, because the dismantling process is not governed by treaty, it is both harder to check on reliably and all too easy to abandon at will. That, however, is not an argument for scrapping START-2 and starting again. Until that modest treaty is in the bag, there is little point trying to negotiate a more ambitious START-3 or START-4.

And if START-2 were to fail? Few even of the treaty's harshest critics would claim that more nuclear weapons would bring greater security. If the treaty were to languish, unratified, a rush to rearm would be unlikely. But much else vital to the security of both Russia and America could easily be lost.

Bang would go the opportunity to stabilise the nuclear balance at lower numbers. And by stopping START America and Russia would blow their best chance of drawing Britain, France and China, the three other declared nuclear powers, into treaty limits and monitoring arrangements. More ominously, the effort to halt the nuclear spread could also stall. It was the prospect of more big-power arms cuts and a pledge to secure an end to nuclear testing that last year persuaded many nuclear have-nots to accept an indefinite extension of the Nuclear Non-Proliferation Treaty. If that bargain now falters, so may efforts to tighten up the inspection regime that backs up the treaty.

Indeed, the biggest threat to Russia, America and others comes from the leakage of nuclear know-how, skills and materials to rogue regimes, from North Korea to Iraq. Stemming this requires the closest possible co-operation between Russia and America. They need to finish what they have STARTed.

Forgotten grabs



INDONESIA
East Timor
AUSTRALIA

The world should not accept the illegal occupation of Western Sahara and East Timor

TWENTY years ago, two obscure pieces of land on opposite sides of the world were grabbed by their neighbours. In January 1976, Moroccan forces took over Western Sahara, a slice of the western Sahel that had been ruled by Spain. The previous month, East Timor, half a small island in the South Pacific, had been swallowed up by Indonesia as Portuguese rule collapsed.

The world did not like the annexations. But Morocco and Indonesia had powerful friends and neither territory provided the West with oil. So the world did not go to war. It did not even manage to organise a referendum, either in Western Sahara or in East Timor, though it did huff and puff and convene a lot of meetings. Now it looks as though its indifference may turn to acceptance. The double *Anschluss* is becoming permanent.

When Spain withdrew from Western Sahara, Morocco and Mauritania divided up the territory between them. As thousands of Saharawis fled, Polisario, the country's independence movement, took up arms against the invaders. Morocco built a huge and heavily defended wall of sand around the territory. Reluctantly, it conceded the principle of a referendum, to be held in 1992. A 2,000-strong UN force was even sent to supervise it, though it did not stop Morocco trying to flood the territory with its own citizens and to have them listed as voters. The referendum, however, has not happened.

Last month disagreements about who should be eligible to vote brought registration to a halt. Boutros Boutros-Ghali, the UN secretary-general, proposed that the rules be changed: instead of two sheikhs, one appointed by each side, vetting the voters, he suggested that one should be enough. With Polisario complaining that that would allow Morocco to fix the vote, the Security Council rejected the idea. But this week Mr Boutros-Ghali suggested forcing the two sides to agree on a voter-registration procedure by threatening to withdraw the UN force. The Security Council is to decide soon on whether to do so.

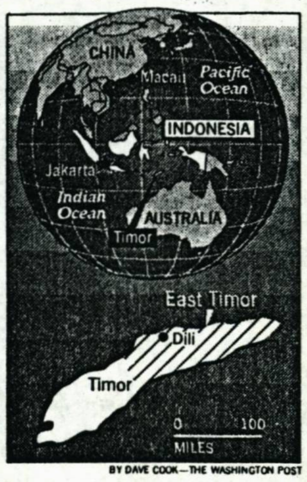
The UN is even less engaged in East Timor. When the Indonesians invaded, they said they were saving it from civil war and communism. In the massacres that followed, however, thousands died: the local Catholic bishops reckon that, in total, violence and famine have claimed the lives of 200,000 Timorese, a third of the population. Even the current Indonesian-approved governor puts the figure at over 100,000. In 1991 the Indonesian army shot about 100 people during a demonstration in the capital, Dili. Indonesia maintains 6,000 troops there—a clear indication that it still holds the island by force.

This sort of imperialism goes against the grain—and the trend. The past few years have seen more self-determination, even for small peoples, not less. Nation-states the size of Eritrea and Estonia show that size is no longer considered essential to viability. The cold-war fears of communist destabilisation are long gone. They no longer supply pretexts for local bullies to oppress, nor reason for western governments to turn a blind eye. The ugly little thefts of Western Sahara and East Timor defy the most fundamental principles in the democratic rule-book.

The world cannot go to war every time a despot grabs a piece of land. But if principles are to be invoked on those occasions when the seizure is resisted—in Kuwait or in the Falklands—then they should not be forgotten on the other occasions. The democratic world should not tacitly accept the actions of Morocco and Indonesia in their stolen territories. It should press, at a minimum, for a fair referendum in each.

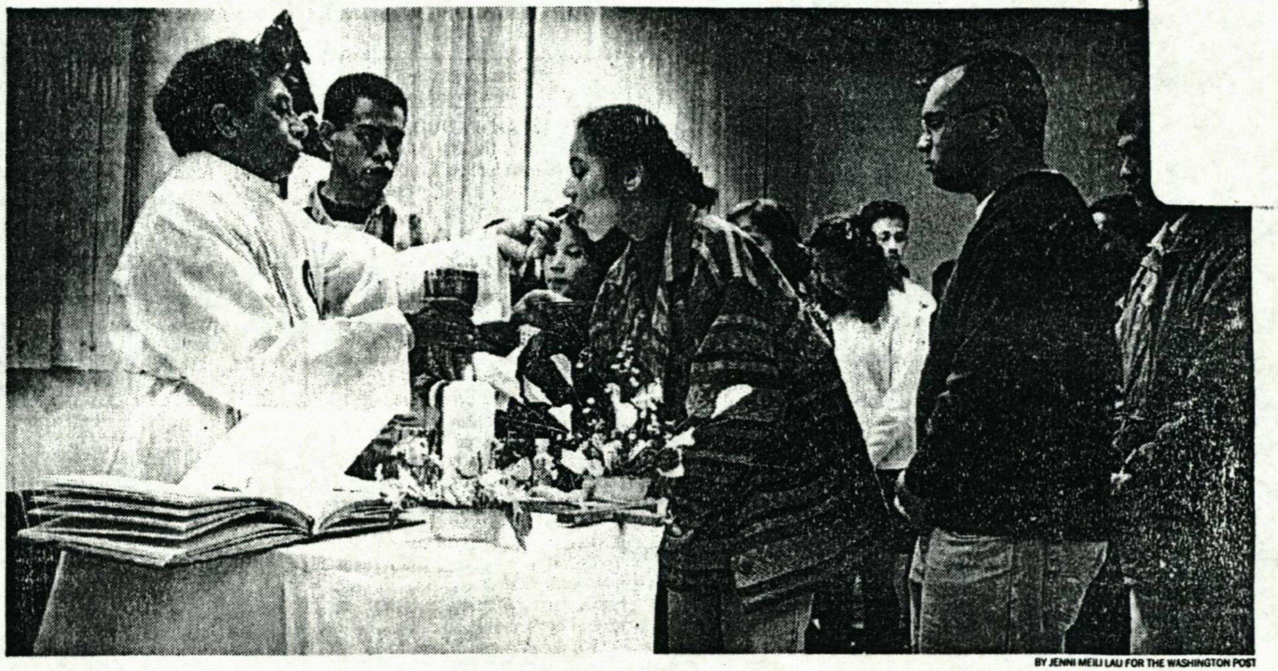
The Washington Post MONDAY, JANUARY 22, 1996

TIMOR CHRONOLOGY



BY DAVE COOK—THE WASHINGTON POST

- **August 1945:** Indonesia declares independence from the Netherlands, its colonial ruler since the 16th century.
- **December 1949:** The Netherlands recognizes Indonesia's independence. The eastern half of the island of Timor, traditionally under Portuguese rule, remains a Portuguese territory.
- **September 1974:** Indonesia and Portugal agree to let East Timorese decide their fate in a 1975 referendum, but none was held.
- **December 1975:** After fractious East Timorese political groups stage insurrections against the Portuguese colonial government, Indonesian troops invade region.
- **July 1976:** Indonesia annexes East Timor. Portugal and the United Nations refuse to recognize annexation, and Timorese guerrillas maintain sporadic armed resistance for next two decades.
- **November 1991:** Indonesian troops fire on marchers in Dili, the provincial capital. Death toll is variously reported at between 50 and 200.



BY JENNI MEILI LAU FOR THE WASHINGTON POST

Refugees from largely Catholic East Timor attend Mass in Macao, where they have gathered after fleeing their homeland, now ruled by Muslim Indonesia.

E. Timor Refugees Bide Time in Macao

'New Generation' Hopes to Reach Accommodation With Indonesia's Rulers

By Keith B. Richburg
Washington Post Foreign Service

MACAO—One came to escape a second prison term. Another came because his name was on a list of dissidents. And Levi, with the blue-and-white parka and the scar on his side, almost died in the graveyard where he collapsed amid the dead.

They are refugees from East Timor, a former Portuguese colony in Southeast Asia that was invaded and annexed 20 years ago by Indonesia. Almost all were involved in some way in the popular struggle against what they see as the illegal occupation of their homeland. Some are university students. One described himself as a member of the armed underground resistance and said he carried medicine and supplies to guerrillas in the hills.

They have come 2,300 miles to this tiny Portuguese-run outpost near Hong Kong on China's southern rim by following a well-traveled "underground railroad" that runs from East Timor to Bali or Jakarta, in Indonesia, and across the South China Sea. They come on fake passports, usually bribing Indonesian officials along the way. And once here, on what is Chinese territory but still administered by Portugal, they are given money, a place to live, a passport and a chance to start a new life.

And all of them talk about the chance to return home someday.

"I hope," said a 32-year-old man who fled here in 1991, after a massacre by Indonesian army troops. Like most of the others, he asked that his name not be used, for fear that relatives left behind might be harmed.

"I never dreamed I'd leave my country," he said. But if he stayed, "every day I'd be persecuted by the military. But what does life mean for me here? Everybody wants to live in his own country."

In the two decades since Indonesia incorporated East Timor as its 27th province, a largely invisible, low-level resistance has persisted there, creating for President Suharto's government an embarrassing international issue that will not go away. There are occasional flare-ups, such as last month's sometimes violent sit-ins at foreign embassies in Jakarta by pro-Timorese activists and last October's week-long rioting in Dili, the East Timorese capital.

The efforts of armed guerrillas are seen in Jakarta as more an annoyance than a direct threat. But with each army crackdown, the government is subjected to fresh charges from foreign countries and interest groups that it is violating human rights.

The East Timorese refugees who make it out to the safety of Macao come with dramatic tales of repression and resistance. Their presence here is in many ways a testament to the fact that after 20 years, Indonesia still has not succeeded in fully consolidating its hold over the East Timorese and dampening their demands for self-determination.

There are about 200 Timorese now in Macao, according to the Rev. Francisco Maria Fernandes, a Catholic priest who left East Timor shortly after Indonesia's 1975 invasion. Six years ago he came to Macao, where he assists new refugees from the largely Catholic province that is now part of a Muslim nation. Between 80 and 100 of the Timorese are asylum seekers waiting for visas before settling in a new home, most hoping to live in Macao but some in Australia. Many of the rest are mixed-blood Chinese Timorese, and most already have been integrated into Macao society.

"There is no problem. They are accepted here," Fernandes said. "Macao is the only territory under Portuguese administration close to Timor."

The United Nations still recognizes Portugal as the administering power of East Timor, and anyone born there is considered a Portuguese citizen and can apply for a Portuguese passport. But because most of the refugees sneak out on fake passports, they must wait here while a local support group helps them compile the needed documents—birth certificates, baptismal records, anything—to prove their identity.

Manuel Tilman, an East Timorese lawyer assisting the refugees with their resettlement, said one or two new asylum seekers arrive each week. But the number varies. Last year, some 500 came through, he said. A community center set up here can accommodate 60 refugees, and as places become available, the Timorese leaders in Macao send messages back home to move more through the clandestine pipeline.

The flow also largely depends on the political situation back home. Many of those here now are young people who were active in the underground resistance in East Timor. Some were involved in protests in Dili in November 1991 that resulted in scores of deaths when Indonesian troops fired on hundreds of demonstrators marching to the grave of a slain Timorese activist. Indonesia has said about 50 protesters were slain, but resistance sources and human rights advocates say 200 were killed.

The young man named Levi, who was 18 at the time, told of joining the funeral march and being just outside the cemetery when the shooting began. He said a soldier used two knives to slash him on his side. While telling his story, Levi stood, unzipped his blue-and-white parka and lifted his shirt to reveal a scar that he said came from that attack.

Levi said he staggered into the cemetery and thought he too would die. "I was still conscious," he said. "I could see how many people died there. Those that were still alive, they just finished them off. They checked to see who was still alive."

Levi survived and was taken to a military hospital where, he said, he was cleaned with a water hose and kept in detention for three weeks, before being released Dec. 3, after the intervention of the Catholic bishop of Dili.

John, who also asked that his last name not be used, said he was more active in the resistance and was in prison from 1984 until 1988 for underground activities. "After I left prison, I continued to be involved in the underground," he said.

Last November, John said, he received a message from the guerrillas in the hills saying they needed medical supplies and some equipment. He bought what they requested in Dili, but was warned that Indonesian intelligence officials were monitoring his activities. So he decided to flee the country.

John said his prison record and resistance ties made it difficult for him to get a passport, but he found help in Jakarta. "The important thing is money," he said, patting the pocket of his jeans.

Other refugees interviewed here gave similar accounts. "Because my name already appeared on a list, the only way to get a passport was to bribe an official," said a young man who arrived here last September after spending seven months evading arrest in Bali.

"We never give up. We never accept being a part of Indonesia," said Jaime Ximenes, a soft-spoken East Timorese who left his homeland at age 14, just after the Indonesian invasion. He is a member of Fretelin, East Timor's underground resistance movement. Fretelin's leader, Jose Gusmao, known as Xanana, is in an Indonesian prison, but his statements occasionally are smuggled out on cassettes.

These days, however, from his new home here in Macao, Ximenes sounds like anything but a dangerous revolutionary. He said he is part of a "new generation" of East Timorese, a younger, better-educated generation that shuns talk of open conflict with the army and wants, instead, to take a conciliatory approach—even if that means deferring the dream of full-scale independence.

"What we want is for Indonesia to accept East Timor as a different entity," Ximenes said. "We want change. But we can't have independence now. We want recognition that we are different from Indonesia. . . . A solution for East Timor can be a compromise."

OXFORD ANALYTICA

ASIA PACIFIC DAILY BRIEF©

EXECUTIVE SUMMARY

February 9, 1996

PHILIPPINES: Inflation rose to 11.2% last month. Although achieving single-digit inflation will not be easy this year, it is within the government's grasp. On the back of strong industrial and services expansion, economic growth this year should be higher than in 1995. A key challenge is to revive investor confidence following the deterioration in the security situation. **See APDB today.**

INTERNATIONAL: There are indications that central banks, which have been almost exclusively concerned with the battle against inflation, are now turning their attention to unemployment issues. However, they are unlikely to abandon their exclusive focus on inflation in order to play an active role in seeking to reduce unemployment, although the pressures on them to do so may increase. **See APDB today.**

JAPAN/US: Tokyo announced today that Japanese Prime Minister Ryaturo Hashimoto will hold a summit with US President Bill Clinton in California on February 24. Clinton is due to visit Japan from April 16-18, after he postponed a planned trip in November. The February summit will focus on strained trade and security ties. **See APDB, October 25, 1995, II.**

TAIWAN: The defence ministry said today that China has begun to increase troop numbers along the coastline facing the island. Beijing plans to hold military exercises in the area in an effort to discourage pro-independence sentiment on Taiwan ahead of the March presidential election. A military confrontation remains unlikely. Indeed, dialogue may well be resumed once the election is over. **Brief forthcoming.**

INDONESIA: President Suharto today lambasted the country's press for allegedly violating its own ethics. The government has been unhappy with recent media allegations that Transport Minister Haryanto Danutirto was involved in 'corrupt' practices. A climate of state censorship and self-imposed circumspection has constrained the domestic media since the end of a period of relative openness in 1994. **See APDB, December 14, 1995, I.**

CHINA: Beijing estimates that it requires expenditure of 450 billion renminbi over the next five years to prevent pollution increasing beyond 1995 levels, a senior official said today. Some 180 billion will be spent on waste water treatment plants. China will seek foreign aid to fund part of the costs.

SOUTH KOREA/JAPAN: Seoul today rejected Tokyo's demand that it stop building a wharf on a disputed island in the sea of Japan. Antipathy between the two countries is impeding a common approach to dealing with North Korea. **Brief forthcoming.**

BURMA: Foreign Minister Ohn Gyaw said today that former rebel leader Khun Sa, wanted in the United States on charges of heroin smuggling, will not be extradited. Khun Sa surrendered to government forces last month, apparently in return for an amnesty. The decision, although expected, will anger Washington and may upset Burma's attempts to attract Western foreign investment and IMF assistance. **See APDB, February 2, 1995, I.**

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COVER STORY

ENNY NURAHENI/REUTER

Booming Jakarta, expanding slums: Unrest is being fuelled by the widening economic disparity between rich and poor Indonesians.

INDONESIA

Social Dynamite

Incidents of violent unrest are on the rise in Indonesia, but instead of grappling with the underlying economic issues, the government is blaming old scapegoats.

By John McBeth in Jakarta

Muslim leader Abdurrahman Wahid has a theory as to why so many of his normally tolerant countrymen are easily provoked into mob action. To Wahid, it all comes down to trust. If Indonesians believe their trust in a leader—or government—has been betrayed, he says, then their frustration grows to a point at which "they're easily incitable."

That's apparently what happened in August in the East Java district of Jember, where hundreds of tobacco farmers went on a rampage, torching vehicles and buildings. The farmers' anger was unleashed by a decision of the local lands office to transfer ownership of 2,000 hectares of government land, until then tended by individual farmers, to a state-run plantation company. Wahid claims that at one point protesters held a sickle to the throat of the local district commander, an army colonel. The situation was defused only after the intervention of Muslim religious leaders.

Land disputes, religious and racial violence and outright rebellions are nothing new in Indonesia. But in the past six months, incidents of rural unrest have reached a level that has begun to worry President Suharto and his security chiefs as they approach the May 1997 parliamentary elections.

The government reacted by warning last year that "formless organizations" linked to the banned Indonesian Communist Party (*see page 23*) were re-emerging. But though the regime has often looked for insidious ideologies and enemies of the state to explain unrest, these days much of the restiveness seems to stem from economic issues that don't lend themselves to such convenient labels. Says a former member of parliament: "The government is trying to apply the same old approach and the same old methods to what are really a lot of new problems."

Several of these problems have been fuelled by rapid economic growth and an attendant rise in aspirations. Though

On Other Pages

23 **Ghosts of the Past**
24 **Coming Together**

many Indonesians have benefited from development, many others have not. Unemployment is high—particularly among high-school graduates whose expectations for exceed the available opportunities. Indeed, Manpower Minister Abdul Latief expressed alarm on January 23 that 52.2%, or 7.33 million of those unemployed last year, were between the ages of 15 and 25. Social discord is heightened by yawning income disparities, and industrialization is putting new pressure on the land.

The establishment, specifically the ruling Golkar Party, is beginning to feel the pressure. The party's dominance has been largely unquestioned until now. But the low average age in the country means that 20 million people, or about a fifth of the total electorate, will vote for the first time in 1997, so Golkar can't afford to take that dominance for granted. Indeed, while Indonesia still lacks a vanguard for political change, many of Golkar's more progressive members believe tolerance for the status quo is fraying, and something needs to be done about it.

Expressions of concern over the rural rumblings have come thick and fast. In December, it was the turn of the armed-forces commander, Gen. Feisal Tanjung, to give his warnings to a gathering of East Javanese religious leaders. The general said riots in East and Central Java and the earlier victimization of Muslim migrants in Catholic-dominated East and West Timor and Flores were all examples of unrest that could affect national stability. "We should always be watchful of political activities," said the general, "especially attempts to politicize religions, which may threaten the existing political system and structure."

Some days later, President Suharto pointedly referred to "seeds of trouble" in the countryside whose resolution required closer coordination between the armed forces, civil administrators and community leaders. He followed that with an appeal for religious communities to understand each other's sensitivities. Then, in his traditional New Year's address, he talked of a complex society in which failure to properly handle "big and small vulnerabilities . . . could lead to turmoil."

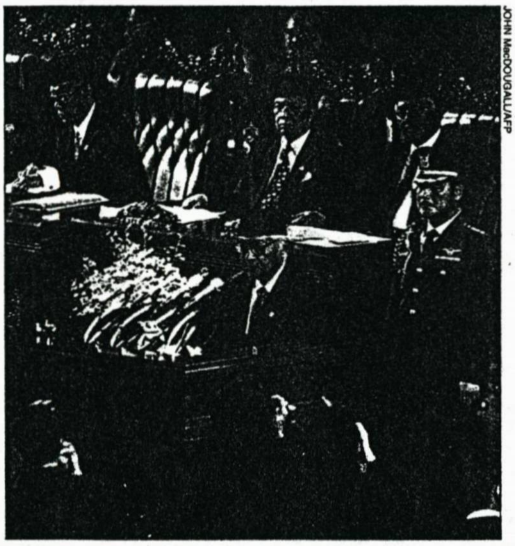
The warnings must have been prompted by the recognition that Indonesians now seem more prepared than in the past to turn to violence. And in urban centres, the scapegoats are often Indonesian Chinese—a small minority of about 3% in a country of 190 million people. To many poorer Indonesians, the hugely disproportionate grip of the ethnic Chinese on the economy has come to symbolize the yawning gap between rich and poor. Most of Indonesia's top business groups are controlled by ethnic Chinese.

5-6 million Chinese.

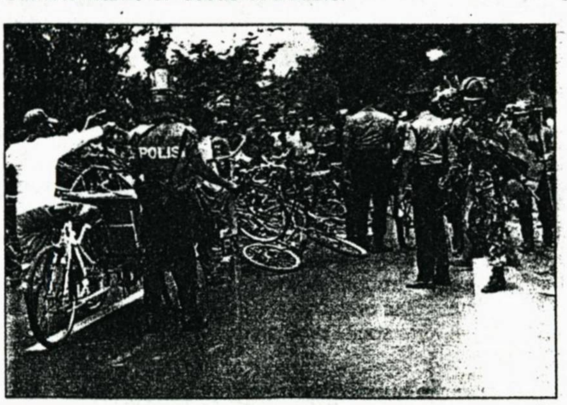
"The people are jealous because the Chinese seem to get money so easily, while they have to crawl for it," notes rural sociologist Loekman Soetrisno. "I went to the movies in Surabaya recently and 60% of the audience was Chinese. It shows that a lot of Indonesians can't afford the 7,500 rupiahs [$3.40] for a cinema ticket."

Such resentments never seem far below the surface. In November, two days of riots erupted in the Central Java batik centre of Pekalongan after a deranged ethnic-Chinese man was fatally beaten for tearing pages out of the Koran. Long before he died in his prison cell, however, the target of the rioters had turned to businesses owned by ethnic Chinese.

Similar sentiments had surfaced weeks earlier in the West Java city of Purwakarta. There, a Chinese-owned department store became the target of public outrage after rumours spread that the owners had manhandled a Muslim girl accused of shoplifting. Both incidents held echoes of riots


JOHN MacDOUGALL/AFP

Suharto warns of 'seeds of trouble.'



Farmers rampage against Cheil Samsung's plant.

Days of Rage

Mob violence is becoming more common in Indonesia. The following incidents have occurred in the past six months alone:

July 30-Aug. 2: Tobacco farmers in Jember, East Java, torch 25 warehouses, motorcycles, shops and houses belonging to state-owned plantation company PTP in a dispute over agricultural land.

Sept. 8-14: Anti-Muslim riots rock Dili, capital of East Timor, after a prison official allegedly calls Catholicism a "nonsense religion." Police arrest 120 people as mobs burn a market and a mosque.

note link + Belo's Nobel Prize

Oct. 13: Two die in Jambi, Central Sumatra, when earthquake victims angry about sluggish relief and a wave of looting attack plain-clothes military officers they mistake for criminals.

Oct. 31-Nov. 2: Mobs in Purwakarta, West Java, attack a mini-mart owned by an ethnic-Chinese businessman after store employees allegedly mistreat a Muslim girl accused of stealing a chocolate bar. Subsequent disturbances involve up to 15,000 people, according to newspaper reports.

Nov. 3-4: Hundreds of protesters in Porsea, North Sumatra, burn 100 houses, a radio station, and vehicles owned by paper maker Inti Indorayan Utama after rumours of a hazardous gas leak.

Nov. 15-20: Thousands of people in Pasaruan, East Java, stage five days of protests against MSG maker Cheil Samsung for allegedly polluting shrimp ponds. Rioters burn cars and living quarters.

Nov. 21: More than 300 residents destroy a carbon manufacturing plant in Jakarta's western suburb of Tangerang, claiming it had polluted their neighbourhood.

Nov. 26: A large mob in Atambua, West Timor, attacks the home of a Catholic priest who is trying to protect a man accused of defaming the Host at Mass. The fugitive and a security guard are killed.

Atambua mass

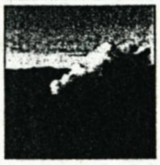
Jan. 14: Hundreds of people rampage through Bandung after failing to gain admission to a concert by Indonesian singer Iwan Fals. Shouting anti-Chinese slogans, rioters overturn cars and loot shops in the city centre.

■ **John McBeth**

Coming Together

New groupings point to widespread political unease

By John McBeth in Jakarta



It was headline news in the Indonesian press: A former deputy army commander and other prominent Indonesians were banding together to form a new mass organization.

The National Brotherhood Foundation, set up in October, is one of at least four new quasi-political bodies that have been established in the past three months. Their formation appears to signal growing disnchantment among Indonesians—particularly the elite—with their politicians and government.

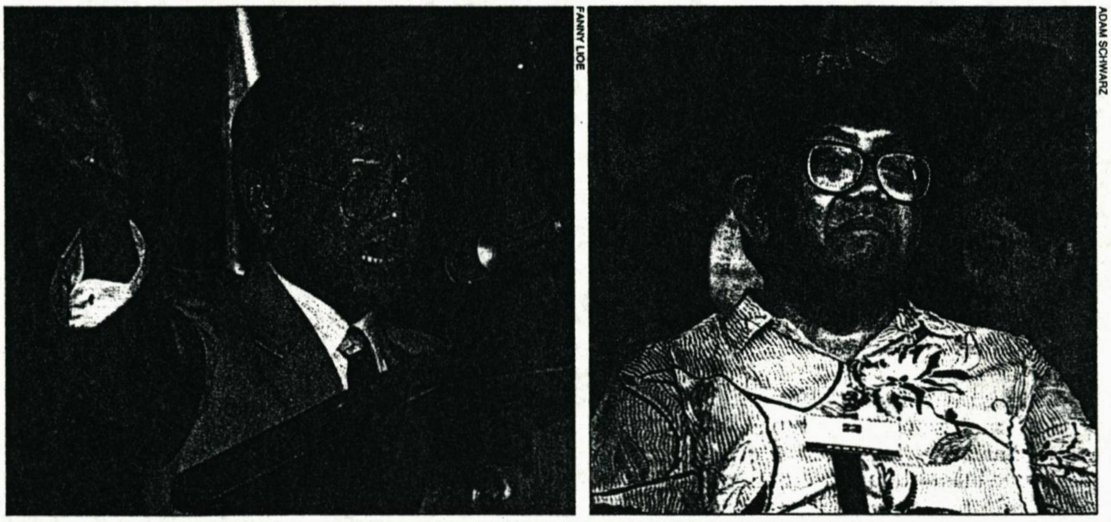
The creation of new organizations clearly reflects a desire for greater political participation as a way of preserving the equilibrium of a society whose underpinnings are under threat. A Western diplomat in Jakarta says the new groups "represent a widespread fear" of social upheaval, "particularly among the older people who remember the independence struggle and the bloodshed of the 1960s."

Headed by retired Lt.-Gen. Bambang Trintoro, and with a diverse membership made up of other former military men and political and religious leaders, the Brotherhood Foundation is the most prominent of the new organizations because of the collective clout it wields. The others include:

- The Indonesian Muslim Congregation, also known as Masyumi, which takes its shortened name from an Islamic political party disbanded by President Sukarno in 1960. It is the only one of the new groups that has explicitly stated it wants to become a political party—but that's something it can't achieve under current laws, which restrict the number of parties to three.
- The Association of Intellectuals for Pancasila Development, a body of West Java-based intellectuals with a strong nonsectarian outlook. This group is seen by some political analysts, perhaps optimistically, as a potential counter-weight to the influential Indonesian Association of Muslim Intellectuals, or ICMI, headed by Research and Technology Minister B.J. Habibie.
- Indonesian National Unity, whose Indonesian name abbreviates to PNI. The same initials once denoted Sukarno's nationalist party, which was merged with other political groups in 1973 to form the Indonesian Democratic Party, or PDI.

The Brotherhood Foundation's avowed goal is to explore ways for Indonesia to maintain stability during a period of rapid change, and to defend the country against "forces of disintegration."

Although its approach has been nonconfrontational, the organization has been openly critical of what it sees as an imbalance between the powers wielded on the one hand by the presidency, the military and big business, and, on the other, the judiciary and legislative bodies.



FANNY LOE

ADAM SCHWARZ

Rival Islamic camps: Research and Technology Minister B.J. Habibie (*left*), Nahdlatul Ulama leader Abdurrahman Wahid.

Most of the concern stems from President Suharto's patronage of the ICMI. When it was formed in 1990, it was viewed as an effort to counterbalance the influence of the military. Since then, through links with the 25-million-strong Muslim organization Muhammadiyah and the ruling Golkar Party, it has edged into the political mainstream as a vehicle representing modernistic Muslim aspirations.

Indonesian political analysts now see two distinct Islamic camps. One is represented by Habibie's ICMI, which identifies itself with the ruling power structure. The other is formed around traditionalists like Abdurrahman Wahid, leader of the mass-based Nahdlatul Ulama; adherents of this camp are anxious to retain their authority with the masses but have seen it undercut to some degree by the modernists.

The rise of the ICMI has caused unease in parts of the political establishment. House of Representatives Speaker Wahono was widely thought to be referring to ICMI when he said recently that he hoped the new organizations would prevent the "re-emergence of sectarian politics that can threaten national unity."

Wahono, a former army general and Suharto aide, has been increasingly critical of the government since he lost the chairmanship of Golkar to Information Minister Harmoko in late 1993. Harmoko has said he plans to drop 60% of the party's 282 sitting members from the list of candidates for next year's general elections.

Golkar sources say the military establishment is worried that many of the outgoing parliamentarians will be replaced by ICMI nominees. "ICMI is not big, but it has a strategic membership," says one party member. "That's why people don't feel comfortable, and why these mass organizations are being formed; they're like pressure groups trying to ensure the situation doesn't go to the extreme."

Wahid and other critics assert that the ICMI represents only a small self-serving group of Muslims and that, by supporting it, Suharto has violated a three-decade policy of nondiscrimination. "The mass organizations are an assertion of primordial instincts because of the perceived rise of certain groups under Habibie," says Juwono Sudarsono, the deputy governor of the National Defence Institute. ■

in Medan in June 1994, in which mobs of workers destroyed property and beat to death an ethnic-Chinese businessman.

Such sensitivities are heightened by the population density and generational mix in Java, more than 60% of whose 110 million people are under 40. Such a demographic transformation and its economic consequences, critics assert, was never anticipated by the government. "It has led to the formation of social dynamite," says one rural politician. "If it's not managed well, it will get bigger and bigger."

Central Java political scientist Arief Budiman blames the recent incidents on the repressed aspirations of younger people looking for a share of Indonesia's new-found economic wealth. "They leave the village to go to the city, but the city is rejecting them because there are insufficient jobs, and the village is overburdened," he says. "There's a lot of frustrated young people out there."

Juwono Sudarsono, deputy governor of the National Defence Institute in Jakarta, says that of the 2.1 million people entering the job market each year, only 300,000 find full-time employment. The resulting frustration, he adds, "becomes dangerous when linked to ethnicity."

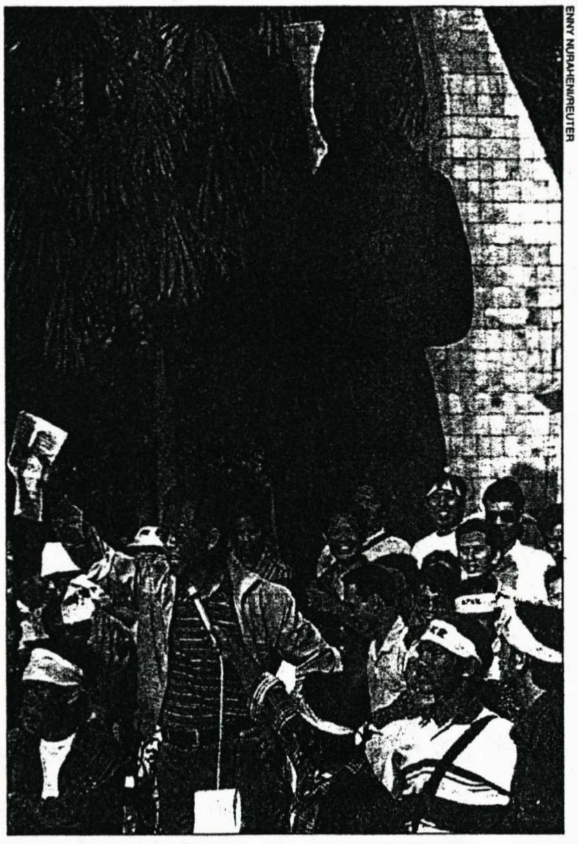
Sociologist Soetrisno says he has repeatedly warned government officials that Indonesia's real social problems will come from the growing pockets of urban poor—particularly around Jakarta and along Java's northern coastline. "Economic development is not being followed by political development," he says. "What we have now is political maintenance designed only to maintain the system."

The trust referred to by Muslim leader Wahid also appears to be eroding. "There is a much wider perception now that officials can't be trusted," says a Western specialist on Indonesian affairs. "There is a feeling that the decisions being made now are not based on the interests of the public, but on those of powerful people."

Preoccupied with grabbing its share of the economic rewards, Indonesia's small middle class, widely estimated at 14 million people, sees little to be worried about. But out in the countryside, what the defence institute's Juwono calls the "high tolerance and low indignation" of many Indonesians may be a thing of the past. Problems related to land tenure and labour relations make up fully 75% of the grievances addressed to parliament—grievances that neither local nor national politicians seem capable of solving.

When Indonesia's National Commission on Human Rights was formed in late 1994, for example, it was besieged with complaints about unresolved land disputes from all corners of the country. Similar public frustration is seen in the way several judges have made decisions recently that are perceived to buck the system—or at least encourage Indonesia's small activist community to believe that the government doesn't always win.

While the lack of any clear central focus and national organization among protest movements makes a major social explosion unlikely, the situation is vulnerable to manipulation. Wahid believes that despite their economic roots, a number of recent incidents have been connected in one way or another to moves by opposing groups contending for supremacy in Golkar. Certain factions are believed to have capitalized on grassroots protests in order to burnish their populist credentials.


ENNY NURAHENI/REUTER

Seeds of trouble: Former opposition MP Sri Bintang Pamungkas criticizes the government over its handling of various social problems.

Environment Minister Sarwono Kusumaatmadja noted a "political element" behind the November 18 incident in East Java's Pasaruan district, where thousands of shrimp farmers attacked the plant of Cheil Samsung Indonesia, a Korean-run maker of the food additive MSG. Despite the presence of troops and police, the protesters caused an estimated $3 million of damage to houses and equipment.

Although the Environment Ministry had given Cheil Samsung a clean bill of health, the farmers suspected that waste from the factory was polluting their shrimp ponds. The firm's executives, meanwhile, blamed declining shrimp production on falling market prices and the local government's decision last year to increase land tax by 100%.

Whatever the merits of the farmers' claims, thousands of outsiders joined their protest, leading the authorities to allege agitators had been at work. But a commentary published by Capricorn Indonesia Consult, a Jakarta-based business research group, suggests that if agitators were present, they were simply exploiting a checklist of more fundamental problems. "The swelling of the unemployed, the widening of the social gap and the shrinking of agricultural lands have all combined to generate a sense of dissatisfaction," the report said, "with no place to air complaints."

That lack of political avenues for protest has opened divisions within the elite itself. Before Suharto told him to keep his own counsel, Environment Minister Sarwono—a former secretary-general of Golkar—had warned repeatedly about the lack of government responsiveness.

Others in Golkar's small progressive wing bemoan the way the party has lost the reformist mission it set itself when it was formed 30 years ago. "There is a perception that all we are doing is protecting corporate interests," says one ruling-party member, pointing to the 20 conglomerates that he claims control 80% of the country's top 400 companies. "The most important issue we should be addressing is the distribution of income. Economic distortions are not caused by the economy itself, but by the political culture."

Sociologist Loekman sees something else. "What the government doesn't really realize is that the people have become a lot more clever," he says. "It's economic development that has made them smarter."

Like the government, the Indonesian military seems short of ideas on how to deal with the new stirrings from the countryside. The National Defence Institute's Juwono says many officers believe the government simply doesn't care what is happening on the ground. "I think we're still improvising," he says. "But we're not doing it well because we can't cope with the effects of the modern economy. Things have become more ungovernable."

If things break down, however, it will be the military that has to pick up the pieces. "We're the fire extinguisher," says a senior military officer. "It's the system that's the problem." ■

INDONESIA

Ghosts of the Past

Is the army chasing communists or shadows?

The army branded them leftists, but the five people arrested for subversion in Central Java in October were not spreading the gospel of Karl Marx or Mao Zedong. Instead, say military and civilian officials, they were propagating the virtues of an Islamic state.

Prosecutors in the small town of Banjarnegara, 100 kilometres southwest of the provincial capital of Semarang, have since altered the charge: The suspects are to be tried for spreading "misleading religious beliefs." Military spokesman Brig.-Gen. Suwarno Adiwijoyo maintains they were part of an attempt by the outlawed Indonesian Communist Party, or PKI, to infiltrate Muslim groups. But the suspects were labelled Islamic extremists by Sudibyo, a former two-star general who heads the civilian intelligence agency, Bakin.

That Sudibyo expressed his views openly, in an October interview with the weekly magazine *Tiras*, is remarkable because the military establishment has been loath to point a finger at radical Islamic groups. In a Muslim-dominated country, charging Islamic organizations with subversion would be difficult—the government has traditionally been averse to the public discussion of social, religious and ethnic divisions.

Suwarno's stance is more typical of the military, which finds it convenient to blame an unseen communist hand wherever there is any sign of social or political unrest. Never mind that the PKI was smashed in 1965, after its coup attempt during the tenure of the late President Sukarno, and that political analysts say Indonesian communists are a near-extinct species. The army insists that leftist extremists remain at large, in "formless organizations"—loosely knit bands of troublemakers with no central leadership.

Because of their lack of clear structure, these groups can be almost invisible, the army says. "It's difficult for the military to trace who the agitators are because most people are scared to point a finger at them," says Suwarno. "We don't label all government critics as communists, but if certain groups spread hatred, pit people of different religions and races against each other, and carry out destructive actions like burning factories, mosques and churches . . . that is a communist method."

The concept of a "formless organization," the military is quick to point out, was part of a doctrine known as *Tripanji*, which appeared in a self-criticism by PKI politburo member Sudisman during his vain attempt to revive the party in the late 1960s. Sudisman wrote of a loosely united revolutionary front, in which PKI members were encouraged to co-opt anti-government elements.

However, many political analysts openly scoff at the army's notions about invisible communist cells. Juwono Sudarsono, the deputy governor of the National Defence Institute and one of Indonesia's most respected political scientists, says the formless organization is a "rehashed cliche" revived by the army for tactical reasons. "I think they wanted to put fear into people," he says. "But I think the real fear is in our own inability to improve the situation."

That view is shared by sociologist Loekman Soetrisno. "I've been telling them that they're looking at a ghost in the middle of the day," he says. "There's no sympathy for communism here."

Privately, some military men concede that the real threat to social stability comes, not from the left, but from the far right. Sudibyo told *Tiras* that the five suspects arrested in Central Java were followers of Negara Islam Indonesia, a doctrine calling for an Islamic state that was the brainchild of the late Sekarmadji Maridjan Kartosuwiryo in 1949.

Kartosuwiryo was the leader of Darul Islam, or House of Islam, a group which waged a guerrilla war against the Dutch colonialists in West Java and later resisted the Sukarno administration. Darul Islam was not fully subdued until 1962, when Kartosuwiryo was captured and executed.

post 1965

There are signs that the military is hunting right-wing extremists even as it pursues those it believes to be communists. Around the time the army captured the five suspects in Central Java, it was keeping tabs on 300 other people suspected of being adherents of the Negara Islam Indonesia. It also detained 66 people, most of them employees of a garment factory in the West Java town of Purwakarta. Military spokesmen said the workers admitted being followers of the NII. Although they have since been released, the workers have to report to the police twice a week.

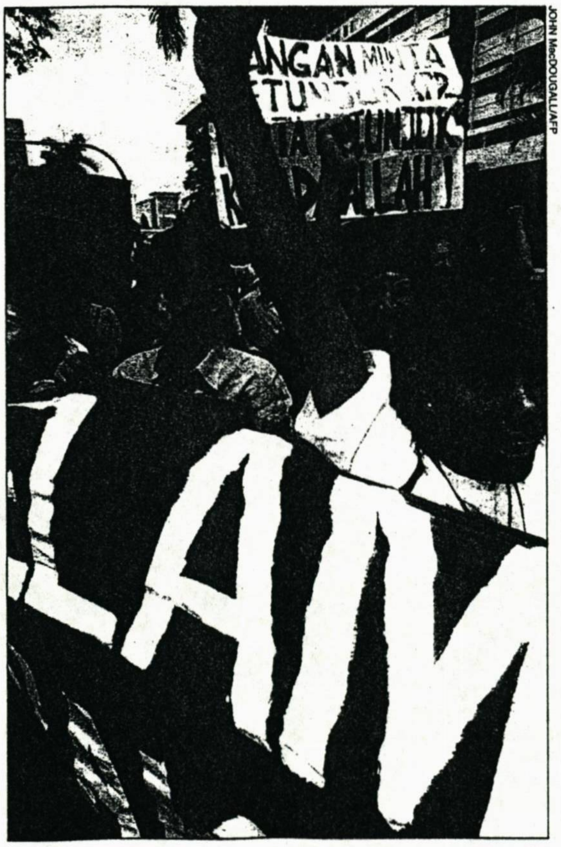
In late January, a parliamentary commission disclosed that the Jakarta Military Command had arrested and investigated 428 NII followers last year.

In the *Tiras* interview, Sudibyo also discussed the threat from the right. "It seems like the extreme-right wing is becoming stronger because the religiousness of our people in the countryside is on the rise and this is not being channelled through the right institutions," he said. "They are instead snared by specific groups who take them in the direction of a political attitude that is extreme."

He claimed photocopies of the NII doctrine were being circulated in several parts of Java. "If we don't handle this at a certain level, it can create local unrest . . . because many of our people are being tricked into activities that are wrong."

But some analysts say the religious right is too splintered to pose any real threat. "They're so fragmented, they're so co-opted," says Ariel Haryanto, a political scientist at Satya Wacana University in the Central Java city of Salatiga. "They don't even talk to each other."

■ John McBeth



JOHN MacDOUGALL/AFP

Islamic activists protest against a government minister: Official perceptions sometimes fail to differentiate between legitimate dissent and anti-state conspiracies.

27Feb96 INDONESIA: PALESTINIAN EMBASSY EJECTS EAST TIMORESE. 07:48 GMT JAKARTA, Feb 27 (Reuter) - Guards at the Palestinian embassy in Jakarta ejected four East Timorese asylum seekers on Tuesday and the ambasador said his first impression was that they could have been sent by Mossad, Israel's intelligence organisation. It was latest asylum bid involving forced entries into foreign embassy compounds in the Indonesian capital by people from the troubled former Portuguese colony of East Timor. "They broke into the embassy, which is my house also, by jumping over the wall," Palestinian Ambassador Ribhi Awad said. "They were overwhelmed by security and within one minute they were out," he told Reuters by telephone from the building in Jakarta's residential Menteng area. "My first impression when my secretary informed me about them was that it was the Mossad, the Israeli intelligence. I never thought they could be East Timorese," Awad added. Awad said neither his staff nor the Timorese, who entered at 10.40 a.m. (0340 GMT), were injured in a brief scuffle but a gate was broken. "I only recognised they were from East Timor when they were chanting 'Long Live East Timor'," Awad said. "They did not give me a petition, they did not hand over any letter." Timorese sources said the four youths had intended to seek political asylum in Palestine, adding they were shocked by the swift rejection of their colleagues. Awad said: "We can't tolerate any trespassers. Those who try again will not be dealt with with mercy as this is a violation to the embassy and we can't tolerate these things." Since last September, 72 East Timorese have left for Portugal under the auspices of the International Committee of the Red Cross (ICRC) following similar embassy break-ins. Other embassies hit in the asylum wave include the British, New Zealand, Russian, Japanese, Polish, Japanese, Australian and French. Australian embassy spokeswoman Joanne Eyre said on Tuesday that four East Timorese asylum seekers in that mission since February 7 were still contemplating their future. Canberra has rejected a request for asylum, saying they could travel to Portugal or apply for a visa in a normal way. Indonesia proclaimed East Timor its 27th province in 1976 following a 1975 invasion after the Portuguese left. The United Nations still regards Portugal as the territory's administering authority. (c) Reuters Limited 1996 REUTER NEWS SERVICE

27Feb96 INDONESIA: IRIANESE PROTEST AGAINST INDONESIAN RULE. 07:43 GMT JAKARTA, Feb 27 (Reuter) - A group of Irianese youths staged a noisy protest in the Indonesian capital on Tuesday against what they called Jakarta's continued unfair treatment in their homeland. Shouting "Freedom" and "Long Live the Free Papua Movement" about 30 youth's protested with banners in front of the State Secretariat, adjacent to the State Palace, for about two hours. It was supervised by about 100 soldiers and police but ended peacefully. No arrests were reported. "It's been 33 years that we have been unjustifiedly treated. The Republic of Indonesia is not fair. Where do the gold and oil from Irian go?" banners displayed by the protesters said. Irian Jaya province, the western half of the huge New Guinea island, was handed over by the Dutch to Indonesia in 1963 in a U.N.-sponsored process. The Free Papua Movement (OPM) has been waging a sporadic battle against Indonesia's rule and has been holding 12 hostages, including six Europeans, for eight weeks in an effort get international publicity for their independence claims. It was the first protest in 1996 by Irianese youth who last year marched on the national parliament after a church report alleged the army killed at least 16 villagers near Timika in Irian in a series of human rights abuses. This month, three Indonesian soldiers were sentenced to between one and three years jail for violations surrounding some of the killings. Timika, 3,275 (2.050 miles) east of Jakarta, services the giant copper and gold mine of PT Freeport Indonesia, a subsidiary of Freeport McMoRan Copper and Gold of the United States. The protesters said in a statement addressed to President Suharto that Irianese were kept out of important positions in the local government because they were not trusted. "Strategic positions which should go to the Irianese are taken by the non-Irianese for various reasons (including) people's (alleged) involvement in OPM movement," the statement, also given to reporters present, said. Yusak Samuel Wonaturey, a spokesman for the youths, told reporters the OPM existed to better the lives of Irianese. "The Indonesian government sees the movement as a security disturbance movement. We can't see OPM that way. The OPM wants the improvement of the people's lives. It's just like Yasser Arafat with the PLO," he said. (c) Reuters Limited 1996 REUTER NEWS SERVICE

27Feb96 PHILIPPINES: MANILA SAYS ALL VIETNAMESE REFUGEES OUT BY JUNE. 07:21 GMT By Rene Pastor MANILA, Feb 27 (Reuter) - The Philippine government, which two weeks ago told Vietnamese boat people they could stay, said on Tuesday they must all be gone by the end of June. Foreign Affairs Undersecretary Rodolfo Severino said the government plans to empty its camp for the 1,800 boat people when funding for their upkeep runs out that month. He told reporters the Roman Catholic Church, whose appeal to stop forcible repatriation halted the programme earlier this month, now accepted that repatriation was the only option. "Integration is...not an option for these asylum seekers," he said. "If the asylum seekers were led to believe they could stay here indefinitely, this was not raised by the Philippine government." Asked if Manila planned to empty the camps of all remaining Vietnamese by the end of June when funding from the U.N. High Commissioner for Refugees runs out, he said: "Yes." Foreign Secretary Domingo Siazon said two weeks ago the government, at the church's request, had decided to allow migrants who refused to return to Vietnam to stay because the Philippines was "a very humane, kinder society". The cost of running the camps, about 30 million pesos ($1.15 million) annually, is stiff for a government that must fund disaster relief every year during the rainy season as a result of typhoons and mudflows from Mount Pinatubo volcano. "The Philippine government is not able to afford this. Resources are not infinite," Severino said while refusing to say if Manila would forcibly repatriate the Vietnamese when the mid-year deadline comes up. A statement from the Catholic Church on Tuesday rejected allegations in Manila newspapers that it had backed down on its commitment to support the needs of the boat people and now supported repatriation due to the cost in running the camp. It said repatration was only one option and others included allowing them to stay. The church stepped into the dispute after the government on February 14 repatriated 84 Vietnamese from the camp on Palawan island in the southwestern Philippines. Hundreds of migrants prostrated themselves on the runway to try to prevent the plane from taking off as troops fired warning shots and used water cannon to disperse them. "We hope that the

THE INDEPENDENT • FRIDAY 1 MARCH 1996

world markets

IN BRIEF

Portugal offers Indonesia ties

Portugal offered Indonesia a partial reopening of diplomatic ties in exchange for the release of the East Timorese resistance leader, Xanana Gusmao, Prime Minister Antonio Gutarres said yesterday.

"Portugal would be ready to open an interest section in a friendly embassy in Jakarta and to accept an interest section in a friendly embassy in Lisbon," he told reporters after an unexpected private meeting with Indonesia's President Suharto.

Portugal and Indonesia have been at loggerheads over East Timor since Indonesia invaded the former Portuguese colony in 1975. There have been persistent reports of human rights abuses on the territory. *Reuter*

THE TIMES SATURDAY MARCH 2 1996

Threat of summit clash over East Timor averted as two continents build economic bridges

Europe sidesteps rights issue to bolster Asia trade

FROM PHILIP WEBSTER, POLITICAL EDITOR, IN BANGKOK

EUROPEAN Union leaders were last night moving away from a confrontation over human rights in an attempt to ensure that the first Asia-Europe summit meeting here ends in success.

John Major and other senior European leaders did not join efforts to strengthen the summit statement drafted by Thailand. They did not wish to prejudice their hopes of building new economic and strategic relationships between the two regions.

Fears of a walkout by President Suharto of Indonesia, if Portugal raised the vexed issue of conditions in Lisbon's former colony of East Timor, prompted the first meeting of leaders of the two countries since 1975, and avoided a clash that would have soured the historic gathering. Antonio Guterres, the Portuguese Prime Minister, approached Mr Suharto at dinner on Thursday night and offered to establish indirect diplomatic ties in return for the release of an East Timor rebel leader. Mr Suharto promised to think about it.

The desire for amity was expressed by Jacques Santer, the European Commission President, who declared that European leaders had come seeking co-operation rather than confrontation. "Although we come from different traditions, we are all attached to the universal values which belong to all humanity," he said in an opening address.

Lamberto Dini, the acting Prime Minister of Italy, which currently holds the six-month EU presidency, was slightly more direct, suggesting that both Asia and Europe were accountable to rules of the United Nations.

But the Asian countries had made clear in advance their reluctance to accept interference from Europe in their affairs. In his opening address, Banharn Silpa-archa, the Thai Prime Minister, noted that both Asia and Europe had taken "quite different development paths with standards and cultural values suited to their own circumstances".

Li Peng, the Chinese Prime Minister, said in a meeting with Mr Banharn that the EU countries "might try to impose a European way of thought" on Asia. Thai officials said Mr Banharn shared Mr Li's view because Thailand regarded the summit as "one between equal partners with no imposition of one side's views on the other".

Last night, the Europeans appeared to have dropped any serious attempt to beef up the Thai statement which declares that the two regions will conduct their affairs "on the basis of non-interference in each other's internal affairs". Some had originally backed attempts to require the signatory countries to accept "internationally agreed principles and obligations".

British sources said Mr Major could live with the Thai wording because the statement also recognised the UN convention on human rights, which would allow Britain and other countries to raise issues of concern with offending countries.

In his opening speech to the summit yesterday, Mr Major stepped up his calls for reform of the UN, saying that it had to be put on a firm financial footing and that penalties on non-paying countries had to be tightened.

But as they tiptoed round issues such as Asian labour standards and abuses of workers' rights, the emphasis from both continents was on building a new business relationship between Europe, the oldest economic powerhouse, and East Asia, the newest.

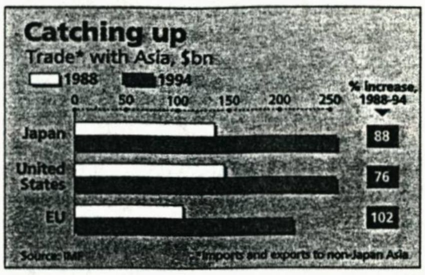
A second Asia-Europe summit will be held in London in 1998 and South Korea has offered to host a third in 2000.

Economist
2 March '96
pp. 18-19

ASIA

Has Europe failed in Asia?

Europe is doing better economically in Asia than many people think. Its real weakness is political


Catching up
Trade* with Asia, $bn

Source: IMF
*Imports and exports to non-Japan Asia

THIS weekend, 15 European leaders meet ten of their Asian counterparts in Bangkok for a grand summit of East and West. They will be in for a shock. A decade or two ago, they might have expected to be greeted with a mixture of anger and admiration—the traditional cocktail left behind by colonialism. These days, Asian views of Europe are more likely to combine condescension with indifference.

For most young Asians "the West" means America, not Europe. Ten times as many Chinese and Japanese students now study at American universities as at European ones. Admittedly, exponents of "Asian values" often regard America with as much distaste as admiration. But few dispute America's enduring economic dynamism and its political clout. Western Europe, by contrast, is regarded as somewhere with a past, rather than a future.

"Asians think we are backward," says Henri-Claude de Bettignies, a professor at the Euro-Asia Centre at Insead, a business school outside Paris. "Europe's image is that we are pessimistic, that we have low growth, high unemployment, that our welfare states are out of control, that we want to build a Fortress Europe, that the common currency is a farce."

Europe's attitude to Asia will be under the microscope in Bangkok, because many Asians see this as symptomatic of much that is wrong with Europe in general. Whereas the Americans and the Japanese are battling it out in the markets of East Asia, so this thesis goes, Europe is so inward-looking that it has almost forgotten about the most dynamic economies in the world. When Europeans do notice Asia, it is only to complain that low-wage economies there are stealing their jobs. A recent United Nations report on foreign investment appeared to confirm Europe's insularity. It concluded that, unlike the Americans and Japanese, "Investors from the European Union (EU) are not fully exploiting the growing regional market potential of Asia."

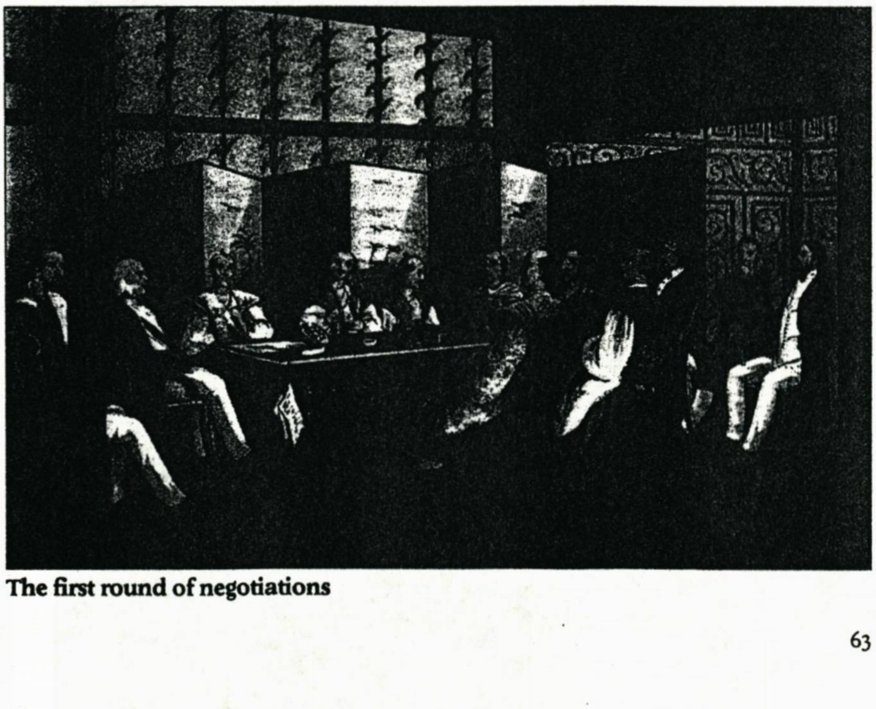
The notion that European businesses are lagging behind in Asia was fostered by the formation of the Asia-Pacific Economic Co-operation forum (APEC), with its eye-catching annual summits of Asians, Australasians and North Americans. APEC has caught and fostered a mood of Pacific Rim chic. Boosters of APEC point out that far more trade now flows across the Pacific than across the Atlantic. The United States does more than twice as much trade with Asia (including Japan), as it does with Europe. The idea that slow-growing Europe is being excluded by the formation of a Pacific Rim, embracing the world's most dynamic economies, has been bolstered by this statistical evidence. But there is a snag. The statistics are misleading.

Europe's share of Asian markets is indeed falling. In 1970, 25% of everything that Asian countries imported was produced in Europe. Today the figure is just 15%. But the main reason why Europe's share of Asia's imports has fallen has been the rise in intra-Asian trade. In absolute terms, EU trade with Asia has continued to grow fast and the pace has quickened recently. Relative to Japan and America, the two countries popularly supposed to dominate the markets of emerging Asia, Europe is doing nicely.

By the end of 1994 the value of the EU's total two-way trade with "emerging Asia" (ie, Asia excluding Japan) had reached $212 billion. In the six years from 1988, the volume of trade between the two regions more than doubled. Europe's trade with Asia is still smaller than that of either America or Japan, but not by all that much and it has been expanding more rapidly (see chart).

Europe's trading relations with non-Japan Asia is also much more balanced than that enjoyed by either America or Japan. Although America's total trade with emerging Asia still outranks the EU total, the EU is exporting more. In 1994 European exports totalled $99 billion, while America exported goods worth $91.8 billion. America is running a huge trade deficit with non-Japan Asia—now bigger than its deficit with Japan—but European trade is roughly in balance. Japan has the opposite problem. It is running a large surplus with the rest of Asia. As a result Europe's trading relations with emerging Asia should be free of many of the tensions that plague Asia's relations with America and Japan.

Far from ignoring Asia, European businesses seem to have made it their top priority. In 1988-94 the EU's trade with emerging


The first round of negotiations

Asia grew faster than its trade with Eastern Europe—despite the collapse of the iron curtain.

Similarly, Europeans are less lethargic about investing in Asia than the UN report suggested. Another study, this time by the World Bank, showed that between 1986 and 1992 the countries of the EU and the United States invested roughly equal amounts in Asia (see chart; the UN report seems to have come up with different results by starting in 1980). European investment in Asia began to grow rapidly in the late 1980s. In 1992, European investment in South-East Asia increased by 87%, while Japanese investment increased by just 12%, according to Japanese official figures.

What both the UN and the World Bank reports show is that both America and Europe are small investors, compared with the Asians themselves. This is neither particularly surprising, nor particularly worrying. Companies often invest first in their own backyard. Just as Europeans dominate cross-border investment within Europe and Uncle Sam looms over Latin America, so Asians have been quickest to exploit the opportunities in neighbouring countries.

Not economics, politics

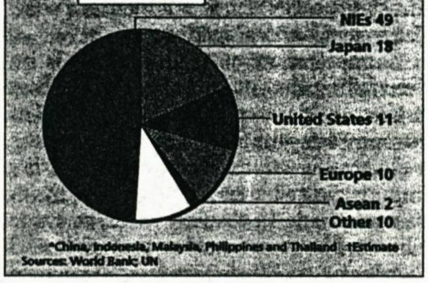
When the picture shifts to individual industries, the idea that European companies have failed in Asia falls apart. In China, the biggest Asian emerging market of them all, European companies dominate several key industries. Volkswagen, a German car maker, has 65% of the Chinese car market. Alcatel, a French telecoms firm, dominates the market for fixed telephone lines and switching equipment. Both companies have prospered in China because they got in before their allegedly more Asia-conscious American and Japanese rivals. Alcatel's factory in Shanghai is now the biggest manufacturer of telephone exchanges in the world. It opened 15 years before AT&T of America set up in China.

Nor are these success stories confined to China, or to particular industries. In India, the other giant of the continent, Hindustan Lever—an offshoot of the Anglo-Dutch firm Unilever—has opened up vast new markets for soap and washing powder in rural areas. In Thailand, Makro, a Dutch discount warehouse, has done more to transform the local retail market than any other firm. British finance houses got involved in Asia's emerging markets far earlier than the lumbering American giants. Europe's private sector has responded well to the challenge of Asia. It is the politicians who need to buck their ideas up.

European countries tend to have a one-dimensional and rather cynical view of Asia. They know it presents huge business opportunities and these will be at the top of the agenda in Bangkok. The problem is that most European countries have not balanced their interest in commerce, with a serious approach to Asia's political and security problems. The *leitmotif* of the European approach to Asia has been a kind of cynical opportunism. The most recent and flagrant example of this was the programme of French nuclear testing in the South Pacific. By uniting much of Asia in condemnation of the tests, France has managed to create a particularly unfortunate backdrop to the Bangkok meeting.

A less obvious example is European unwillingness to take a clear position on political and human-rights questions. Asia hands in Europe's foreign ministries would publicly bristle at the suggestion that Europe has played down such ticklish subjects as democracy and human rights. Privately they might acknowledge its truth, justifying their position as an example of Euro-realism. This, they would argue, is often preferable to America's missionary zeal.

It is true that, for public consumption, European countries do occasionally make a fuss about human rights in Asia. But by their actions, as opposed to their rhetoric, European governments often give the impression that they are not terribly concerned.



Fair shares

FDI inflows to East Asia*, as % of total†

*China, Indonesia, Malaysia, Philippines and Thailand †Estimate

Sources: World Bank; UN

Germany's chancellor, Helmut Kohl, has been an assiduous promoter of German commercial interests in China. On one trip there in 1993 he managed to sign $4 billion-worth of contracts, including one for Siemens of Germany to build a subway system in Guangzhou in southern China. German officials believe that the Chinese authorities appreciated Germany's willingness not to push them over human rights, in contrast to the Americans. This year Mr Kohl became the first western leader since the Beijing massacre of 1989 to inspect a unit of the Chinese army.

And, he and other European leaders might say, so what? If, as the business statistics suggest, European companies are performing well in Asia, then perhaps part of their success could be explained by not having a foreign policy in the region. That at least ensures that nothing upsets good commercial relations. What would be the point of engaging in costly public slanging matches with, say, China about human rights or about Taiwan? It could damage European firms; it would probably have little or no effect; and Asian governments are not going to engage in serious talk with the Europeans on such matters. To ram home the point, Indonesia's foreign minister, Ali Alatas, gave this week's top-notch visitors a warning not to spoil the Bangkok summit by raising human-rights issues.

Europeans could add two more justifications for their reluctance to get embroiled in such issues. To begin with, Asia's security is basically guaranteed by America. Europe's military presence in the region is limited, Hong Kong temporarily aside, to some residual British naval commitments and France's nuclear testing sites in the South Pacific. Thus, the Europeans might argue, they cannot contribute much to the security debate. Anyway, European countries collectively have a wide range of different views and interests in Asia which almost always prevent "Europe" speaking with a single voice: France has its overseas territories and its nuclear tests; Britain has its arguments with China over Hong Kong; Portugal has its disputes with Indonesia over East Timor.

Moreover, Europeans could (and do) argue that they have foreign-policy goals which they share with America but which they pursue in a different way. On a range of issues—whether it is negotiating China's entry to the World Trade Organisation, or protecting Taiwan from Chinese aggression, or encouraging Japan and South Korea to deregulate their markets—the Europeans support the Americans, but are content to take a back seat to them. Many Europeans congratulate themselves for being more sensitive to Asian sensibilities and more willing to acknowledge that a western political blueprint cannot be imposed on Asia.

Turning Japanese?

The conclusion would seem to be that Europeans should act in Asia rather as Japan has acted in Europe. Japan has managed to get by quite satisfactorily for decades without wasting time making foreign policy (time that could be better spent making money). Why not be like Japan?

There are four main reasons. First, free-riding on America's coat-tails may not be sustainable for all that much longer. The rise of Pat Buchanan is just the latest sign of strong isolationist tendencies in America. And even non-isolationist Americans may increasingly ask why they should handle all the difficult political and security issues in Asia, while the Europeans reap the benefits of stability in the region—indeed, reap more than their share since, by cosying up to Asian dictators, they sometimes get contracts that might otherwise have gone to others. If all this contributed to a growth in

American isolationism or protectionism, both Europe and Asia would suffer.

Second, European passivity, especially on trade, runs the risk that the EU might find itself isolated in the face of an American-Asian alliance. There were hints of this at last November's APEC summit, when suggestions were raised that APEC might negotiate as a block with the EU. Another possibility is that allowing America to take the lead in pressing for more open markets in Asia will mean that concessions are offered only to American goods, leaving Europe in the cold.

Third, a few European countries have specific policy concerns in Asia which are suffering because other Europeans are unwilling to get involved. British officials say they have received more support for democratic reforms in Hong Kong from America—and even Japan—than they have from their European "partners". While Portugal, former colonial power, continues to make a fuss about the Indonesian occupation of East Timor, the rest of the EU does not want to know.

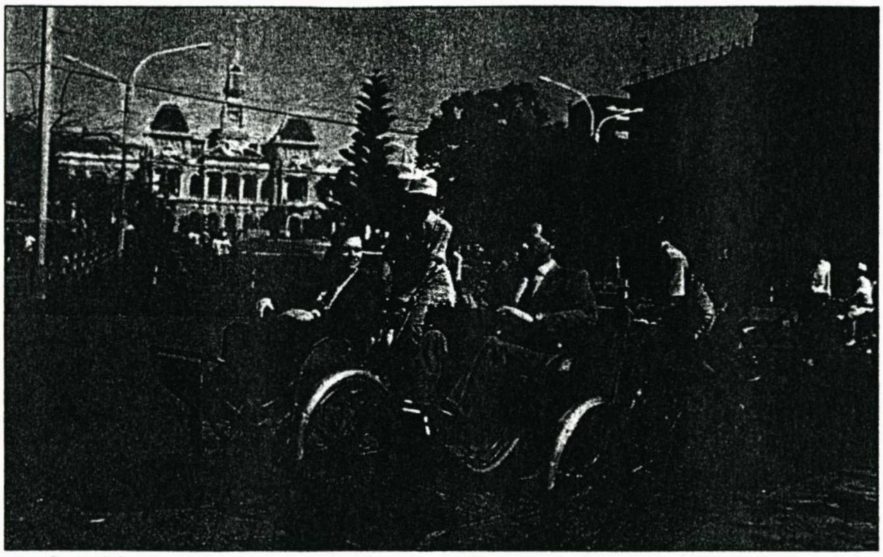
And fourth, Europeans in Asia face very different circumstances from those faced by Japan in Europe. Western Europe's politics have been reasonably stable; its security likewise. But Asia's dynamic economic growth is being accompanied by big shifts in power, both within countries and between them.

Over the past decade, South Korea, Thailand, Taiwan and the Philippines have all moved from authoritarianism to democracy. There are strong pressures for political change in countries as diverse as China, Myanmar (Burma) and Indonesia. Defending European interests might require using European influence to shape events in ways that Europeans find congenial—in other words helping to create a re stable, more democratic Asia which mains economically dynamic and open to trade. On this argument, it is precisely because Europe already has considerable commercial interests in Asia that it needs to take Asian politics more seriously.

How to have an Asian policy

What would this mean? Replacing an opportunistic approach to Asia with a more strategic view would involve a more coherent approach in three broad areas: trade, security and politics.

Trade is one area where Europe does negotiate as a block, and where its ability to speak with one voice helped to deliver the recent GATT agreement. It is, therefore, something on which it should be possible to fashion a coherent European approach to Asia. Unfortunately, Europe starts on weak moral ground, since it has pioneered a range of protectionist techniques from "anti-dumping" laws, to "voluntary" export restraints. This means that if the Europeans insist on trying to impose western labour standards on poorer societies in Asia, they may merely confirm their protectionist image.



No free rides in Asia

A far better approach would be for Europe to allay suspicions that a "Fortress Europe" is being created—for example, by changing tack on agricultural trade. Europe should also take a more active role in shaping the world trading system, rather than relying on the Americans to make all the running. There have already been some signs of this, with the Europeans taking a more positive line on the liberalisation of financial services than the United States.

The fact that the European approach to trade is sometimes different from that of the United States should allay suspicions that a more active European role in Asia is simply code for allying with America to foist western ideas on reluctant Asians. If America adopts unreasonable positions in trade talks with the Japanese, as it did when it demanded numerical targets for car exports to Japan, the EU should be prepared to say so. Similarly, there is no particular reason why the EU should let the critical job of negotiating China's entry to the WTO fall almost exclusively to America. Over trade, a "European" policy would mean in effect sticking more closely to multilateral negotiations through the WTO than America is prepared to do.

When it comes to the second issue—Asian security—a European policy would have to rely largely on moral suasion, since Europeans have no great military presence to back them up in Asia. But there are still things that can be done. Take China's bellicose approach to Taiwan. As things stand, the Chinese will be tempted to try to play western powers off against each other. Encouraging a Chinese belief that this is possible is not in anybody's interests. Once again, taking a more active approach to Asian security issues does not mean ganging up with America against Asia. Moderating Chinese behaviour is in the clear interests of China's Asian neighbours.

On political issues, there is an obvious tension between attempting simultaneously to foster friendly commercial relations with Asian governments and lending support to democratic movements that some of these governments regard as subversive. But the tension can be managed. It is perfectly possible to maintain cordial relations with the powers that be in Asia, without co-operating in repression.

The European reluctance to press human rights issues too far in Bangkok is understandable, since there is a danger that this first meeting would then degenerate into a shouting match. But there are other ways in which Europeans should express their concerns about human rights. They need to make it clear that these will affect decisions on arms sales, aid policy and political asylum. There is no reason, for example, why European governments should help fund the construction of the Three Gorges dam in China, which will involve the massive displacement of people. Europeans should also be much more circumspect about selling arms to Indonesia, given that country's record in East Timor. *

Europeans should adopt—and then adapt—a slogan that Asian governments are fond of: "constructive engagement". This should mean engaging constructively with Asian societies, not just Asian governments: talking to Myanmar's democrats, as well as its generals, and to Indonesia's trade unionists, as well as its industrialists.

Europe's leaders know that Asia's growing economic power demands that they take Asia more seriously. Economically, Europe is not doing badly. Politically, it has barely begun. ■

OXFORD ANALYTICA

ASIA PACIFIC DAILY BRIEF©

EXECUTIVE SUMMARY

March 20, 1996

INDONESIA: This week's riots in Irian Jaya are symbolic of deep-seated regional problems. As President Suharto and the military both fear that a devolution of power to the provinces could precipitate the country's break-up, initiatives in this direction are unlikely for the foreseeable future. As long as the current stalemate continues, regional discontent will intensify. **See APDB today.**

JAPAN: The budget impasse is impeding a recovery in consumer confidence and has complicated plans by banks to write off their bad loans to the Jusen. However, the latest economic data suggests that the recovery is strong enough to survive the effects of the budget impasse, provided the crisis does not deepen significantly. Political parties will use the result of next week's Gifu by-election to gauge public support for their positions on the Jusen bail-out. **See APDB today.**

SOUTH KOREA: The economy grew by 9% last year, but growth slumped in the fourth quarter to 6.8%, the central bank said today. Nevertheless, the bank maintained its projection of a soft landing, with 7-8% growth in 1996. The lower end of this target is realistic provided the final-quarter slump in capital investment does not continue. **See APDB, December 20, 1995, II.**

TAIWAN: The government today released February data for industrial production and export orders, which appeared largely unaffected by the confrontation with China. However, March figures will probably show a slight downturn. It is likely that the tensions with China will slow the rate of recovery of domestic demand and economic growth. **See APDB, January 30, 1996, II.**

AUSTRALIA: Former finance minister Kim Beazley was yesterday confirmed as Labor Party leader, replacing Paul Keating. Labor will seek to combine with minority parties in the Senate to block government spending plans, especially the sale of Telstra. **See APDB, March 4, 1996, II.**

Prime Minister John Howard today resurrected plans for a single aviation market with New Zealand, scrapped by the former Labor government. The Liberal/National Coalition's election may pave the way for improved trans-Tasman relations. **See APDB, November 3, 1994, I.**

BANGLADESH: The government today ordered the deployment of troops to restore communications and administration in the port city of Chittagong, crippled by the opposition's national strike. Political turmoil has disrupted transport and pushed up food prices. The economy is unlikely to expand by more than 4% this fiscal year, well below initial expectations of 6% growth. **See APDB, February 19, 1996, II.**

NORTH KOREA: A senior UN official who has spent five months in the country said today that the flood emergency was over and that there were no signs of serious unrest. Pyongyang's unprecedented appeal for international assistance highlighted the deteriorating state of the economy. However, it is possible that the government deliberately overstated threat of famine by ignoring hidden reserves belonging to the army. **See APDB, January 16, 1996, I.**

Oxford Analytica

Asia Pacific Daily Brief©

March 20, 1996

I

INDONESIA: Regional Tensions

EVENT: Irian Jaya has again been hit by riots this week.

SIGNIFICANCE: The riots are symbolic of deep-seated regional problems, which are not confined to Irian Jaya. Failure to address them ultimately risks the country's break-up.

ANALYSIS: On March 18, rioting broke out in the town of Abepura, which is twelve miles from Jayapura, the provincial capital of Irian Jaya. The apparent cause of the riot was the refusal of the Indonesian authorities to allow Irianese students to bring the body of Thomas Wapai Wanggai, a US-trained anthropologist linked with the rebel Free Papua Movement (OPM), from Cipiang prison in Jakarta to Jayapura University, where they wished him to lie in state prior to his funeral. Wanggai, a former professor at the university, was sentenced to 20 years in jail in 1988 for his involvement with the OPM.

The rioting at Abepura follows a number of other incidents this month:

- On March 12, over 500 Irianese attempted to storm a military plane at the airport of the copper-mining town of Timika. The plane was carrying President Suharto's son-in-law, Brigadier-General Prabowo Subianto, who is also commander of the Indonesian Special Forces (Kopassus). Kopassus has been at the forefront of the military's operations both in Irian and East Timor.

- Between March 12-14, there was rioting in the mining town of Tembagapura, where Freeport-McMoRan Copper is the main employer. As a result, the copper mine was temporarily closed.

Increased tension in Irian Jaya has also been evident since January, when the OPM seized 27 people, including six Europeans, as hostages (see APDB, January 19, 1996, I).

Although the outbreak of each riot can be linked to a specific event, they all take place against a generalised backdrop of discontent. Two factors stand out:

- there is resentment of Jakarta's economic exploitation of the province; and

- there are strong feelings of Irianese nationalism.

While the nationalist cause is championed by the scattered and militarily weak units of the OPM, it is the economic exploitation of the province which rankles most deeply with the local population. Among Indonesia's provinces, Irian ranks sixth in terms of per capita GDP with an output of 620 dollars per head. This is mainly the result of the province's valuable mineral and gold deposits, which account for nearly 50% of Indonesia's non-hydrocarbon mining sector earnings. However, annual per capita consumption expenditure at 167 dollars is the second lowest in Indonesia (after East Timor). Irian also has the country's highest incidence of rural poverty, including the worst infant mortality rates, literacy rates and life expectancy.

Local discontent has also been aggravated by the largely unrestricted influx of inner island Indonesians into Irian Jaya. The migrants are estimated to number nearly 750,000, compared with an indigenous population of 900,000.

Besides Irian Jaya, local resentment of Jakarta is also strong in two other 'provinces':

1. **Aceh.** Along with Riau and East Kalimantan, Aceh is the most important oil-producing province in Indonesia and the sole producer of liquid natural gas. With an annual per capita GDP output of 1,021 dollars, and a per capita consumption expenditure of only 168 dollars, Aceh is in a similar position to Irian Jaya. Frustration at the lack of local control over the province's resources, combined with resentment of Javanese dominance of the military and bureaucracy and a fear of economic migrants from other parts of the archipelago, has led to growing disaffection with Jakarta. Between 1989 and 1992, this disaffection spilled over into open conflict, with clashes between the military and the secessionist Free Aceh Movement (Gerakan Aceh Merdeka). Although the army has succeeded in repressing the revolt, tensions are still running high.

2. **East Timor.** Unlike Irian Jaya and Aceh, East Timor was never part of the Dutch East Indies. In terms of its culture, religion and language, East Timor is very different from other parts of Indonesia. Furthermore, the Indonesian military occupation has radicalised a generation of Timorese, resulting in widespread resistance to Indonesian rule (see APDB, March 22, 1995, II). Protests have continued up to the present, and armed clashes still take place between the small East Timorese Resistance (FRETILIN) and the Indonesian army, which maintains a garrison of 17,000 troops and paramilitary police in the territory.

Decentralisation challenge. In dealing with its fractious regions, Jakarta faces two main challenges:

1. **Constitutional reform.** A major source of discontent is the country's constitution, which allows very little real autonomy for the outer island provinces. This contrasts with the situation in neighbouring Malaysia and the Philippines, where resource-rich areas such as Sabah (North Borneo) and Mindanao enjoy certain privileges, including the retention of some of the taxes earned from local exports. Any real attempt at addressing regional concerns will necessarily involve revising the constitution and devolving power to the provinces. However, this is strongly resisted by Suharto and the army because of fears that this could lead to the country's break-up.

Opposition to decentralisation is compounded by Jakarta's memories of the Netherlands' attempts to encircle the embryonic Indonesian state with a series of Dutch-controlled federal states in the outer islands from 1945-49, and of the US-backed federalist revolts in Sumatra and North Sulawesi from 1958-61. Jakarta is also loath to loosen its financial grip over the outer islands since they hold most of the country's raw resources. Four outlying provinces -- Aceh (North Sumatra), Riau (near Singapore), East Kalimantan (Borneo) and Irian Jaya -- account for well over half the country's exports of oil, gas, timber and minerals.

2. **Economic disparity.** Without action by Jakarta, the economic gap between densely-populated Java and the outer islands is set to grow. With manufacturing now exceeding agricultural output, Java, which has enjoyed annual growth rates of 6-7% since the early 1970s, is in a more predominant economic position than ever before. Apart from the Batam industrial complex opposite Singapore, most industrial exports developed over the last decade have come from either Java or Bali.

Such disparities have not stemmed from any conscious government directive, but rather reflect Java's sub-national comparative advantage -- large pools of skilled and unskilled labour, many entrepreneurs and relatively good physical infrastructure. As a consequence, the government's major regional challenge is no longer rural poverty in Java (as it was in the 1960s), but rather to stimulate the economies of the outer islands, especially eastern Indonesia, which is increasingly dependent upon financial support from Jakarta. If Indonesia is to escape an upsurge in regional unrest, the government may need to ensure that the wealth generated from the exploitation of local resources is spread more evenly among indigenous populations.

CONCLUSION: As President Suharto and the military both fear that a devolution of power to the provinces could precipitate the country's break-up, initiatives in this direction are unlikely for the foreseeable future. However, as long as the current stalemate continues, regional discontent will intensify.

Keywords:AP, Indonesia, politics, economy, constitution, decentralisation, ethnic, military, rebellion, regional, riot, natural resources

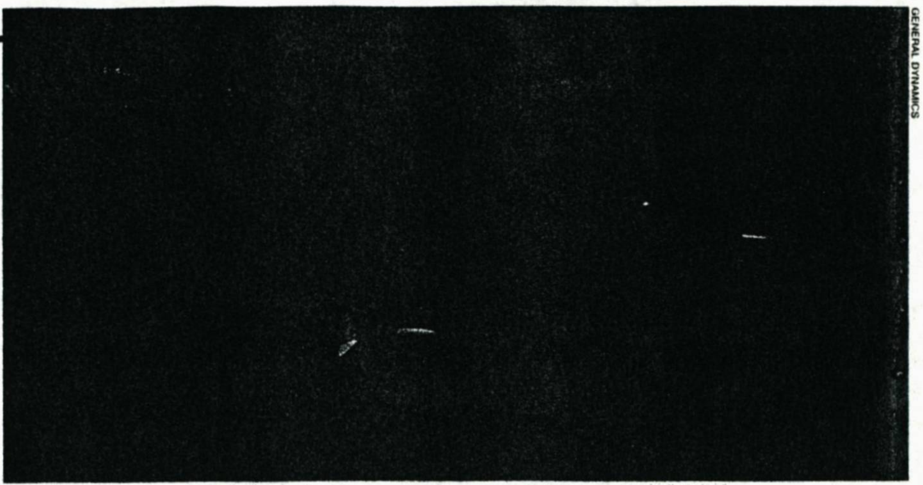
REGIONAL

DEFENCE

Plane Dealing

Jakarta drives tough bargain in F-16 deal

By John McBeth in Jakarta



Indonesia will probably get the F-16s that should have gone to Pakistan.

GENERAL DYNAMICS

Seeking to win back the ground it lost with its 1992 military-aid embargo against Indonesia, the United States last year offered a deal it thought the Indonesians couldn't refuse: 28 F-16 fighters, originally destined for the Pakistani air force, at a bargain-basement price of $400 million-$500 million. Jakarta has reacted coolly; sensing that the Americans are desperate to sell, it is trying to drive the price even lower.

The F-16A/Bs have been stored in the Arizona desert since Washington decided to punish Islamabad for refusing to allow inspection of its nuclear facilities. The ban was imposed five years ago, when the jets were being built. Pakistan, meanwhile, had paid for the F-16s.

Despite having to make up the difference between the $658 million Islamabad paid for the aircraft and the lower price they will fetch now, Washington is anxious to find a buyer or buyers so that it can put the issue behind it. The return of its money would also allow Pakistan to go ahead with its planned purchase of Mirage 2000-5 fighter-bombers from France.

As an added sweetener, the Indonesians have been told that apart from the favourable price, which neither side will officially disclose, the proposed sale is likely to win swift approval in the U.S. Congress. Says an American defence official: "Everyone, including Congress, wants to see the planes out of the U.S."

American officials describe Jakarta's purchase of nine of the F-16s as a "done deal." Industry sources say the smaller package is going for $162 million. But it might be two or three months before the Indonesians decide whether they want to take up the option on the other 19 fighters, with much clearly depending on the financial terms. Sources familiar with the talks say Jakarta wants government-guaranteed soft loans—which the U.S. doesn't offer.

While the U.S. government would like to sell all 28 of the jets to Indonesia, American defence-industry executives would be happy with even the smaller deal because of its symbolic importance. As one analyst put it: "It would tell them the policy issue is now over and that at last they can compete on a fairly level playing field."

Indonesia currently has 11 F-16s stationed at Iswahyudi air base, near the Central Java city of Madiun. Although budget constraints have always inhibited Jakarta's defence planners from matching equipment with threat perceptions, senior officials have made no secret of their desire to at least bring their F-16 fleet up to full squadron strength.

The U.S. suspended military aid to Jakarta, including the International Military Education and Training programme, following the November 1991 Dili massacr A year later, in a move th angered Jakarta even furthe Washington used huma rights concerns as the bas for blocking Jordan's bid sell Indonesia four of i U.S.-built F-5 fighters.

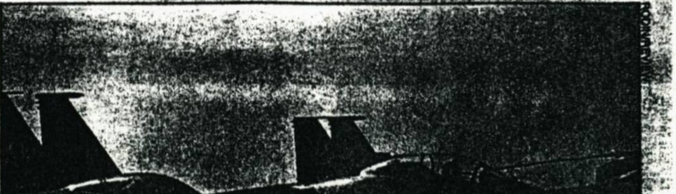
The Australians an Europeans have not bee nearly so constrained by political considerations, a fac-

Jet Set

Most Southeast Asian air forces are bolstering their front-line defences. But analysts say the upgrades are less an arms race than the result of bigger defence-acquisition budgets and changing strategies, linked to a new emphasis on external security to protect commerce and resources. Among the active shoppers:

- Thailand is adding a second squadron of F-16s and has been negotiating the purchase of an initial eight F/A-18s. It's also buying a refurbished squadron of A-7 Corsairs and nine Harrier jump jets for its newly established fleet air arm.
- Malaysia recently acquired 18 MiG-29s and is awaiting delivery of eight F/A-18s, with the prospect of more to follow.
- Singapore has ordered a squadron of F-16C/Ds to add to its existing squadron of A and B models.
- The Philippines is still seeking the money to complete its proposed purchase of 18 Czech-designed L-39 trainers and a squadron of Israeli Kfir interceptors to replace its ageing F-5s.
- Brunei is buying Hawk 200/100s, which will give the sultanate its first fixed-wing combat capability.
- Vietnam is acquiring 12 SU-27s and is working with the Israelis on the upgrade of some of its 150 MiG-21s.
- Cambodia has plans to buy six L-39s and upgrade its nine serviceable MiG-21s.

■ John McBeth



Asian arms bazaar: Everyone's buying.

tor that has the American military and industry executives gritting their teeth in frustration. "Some of our people don't think very clearly when they impose these rules," says a U.S. technology supplier who has spent more than a decade in Asia.

Australia has clearly taken advantage of the U.S. embargo to shore up its military links with Indonesia. Indeed, the recently concluded security agreement between the two countries was essentially an affirmation of a significant increase in joint defence exercises and training programmes over the past three years.

British Aerospace, meanwhile, has been aggressively marketing the Hawk, a small high-performance jet that can be used either in a ground-attack role or to prepare pilots for more sophisticated aircraft such as the F-16. The Indonesians have 14 Hawk 53 trainers from the early 1980s, but will begin taking delivery of 24 new Hawk 200/100s in mid-year.

The Hawk is also competing with McDonnell Douglas's T-45 Goshawk and Italy's Aermacchi MB-339F to become Australia's new air-force trainer. Canberra is expected to buy 24 aircraft in a competition between the higher technology of the Hawk and the lower cost of the other two contenders. A decision is expected before June.

British Aerospace has an inside track in Indonesia because of the earlier Hawk deal, deliveries of Rapier surface-to-air missiles and the firm's role in securing a European airworthiness certificate for the CN-235 utility aircraft made by state-run Industri Pesawat Terbang Nusantara. Analysts say it probably doesn't hurt either that the ambassador to London since 1992 has been J.E. Habibie, brother of influential Research and Technology Minister B.J. Habibie, a prime backer of the CN-235.

Industry sources say that given the $13 million-15 million cost of each Hawk 200/100—about $5 million less than the F-16 at as-new prices—the widely quoted price of $750 million for Indonesia's 24-Hawk package apparently includes a significant amount of maintenance equipment, spare parts and training. "The new Hawks are totally different aircraft from those the Indonesians already have," says a Western airman in explaining the final price tag. "They not only have different engines, but there's also a leap in technology."

But Jakarta's plans to buy any more Hawks than it has already ordered may be put on hold now that the F-16 deal is in the works. It's also questionable whether the Indonesians will now go ahead with a planned upgrade of 12 of their 23 ageing A-4 Skyhawk attack bombers, circuitously acquired from the Israelis in the early 1980s. ■

CHINA IN TRANSITION

Politburo member Li Ruihuan challenges Jiang Zemin's emphasis on politics.

Li Ruihuan, a member of the politburo's standing committee, has challenged President Jiang Zemin's demand that cadres should "talk about politics" as their first priority. In remarks made during a lunar new year tour of Zhongshan city in Guangdong province, and reported in early March in the Beijing-backed Hong Kong press, Li suggested that Jiang's order reflected useless nostalgia.

"Sure we have problems, but we shouldn't want to return to the 1950s just because nobody had to lock their door when they were sleeping then," he said. "This is not realistic. It has nothing to do with talking about economics and talking about raising standards of living." Acknowledging that economic reforms could allow foreign influences—or "flies and mosquitoes"—into the country, Li said: "Of course everybody dislikes all those flies and mosquitoes. But just because we hate them, it doesn't mean we should remain perpetually in the wintertime." Li's remarks offer a rare glimpse of discord within the highest echelons of the party.

ROSLAN RAHMAN/AFP

Li Ruihuan: party discord.

Models of World War II Japanese warships are banned in Harbin.

More than a dozen models of Japanese warships were banned from sale in the northeastern city of Harbin in late January on the grounds that they recall bad memories of suffering at the hands of Japanese invaders and were "an insult to the Chinese people." The virulent reaction to the models may be related to celebrations last year of the 50th anniversary of China's victory over Japan.

Jiang Zemin expands his brains trust by recruiting a Shanghai scholar.

A former Shanghai professor is the latest addition to a brains trust set up by President Jiang. Wang Zhan, director of the Development Research Centre of the Shanghai government, has been appointed an adviser to the party's Central Policy Research Centre, according to sources in Shanghai. He joins Liu Ji, a vice-president of the Chinese Academy of Social Sciences, as one of Jiang's chief advisers on economic policy.

A former Fudan University economics professor, Wang is known as a big proponent of the shift to "intensive" economic growth favoured by Jiang. This involves encouraging more large, internationally competitive firms, and fewer of the small processing operations that dominate the southern coastal areas of the country.

Chinese act to combat smuggling and enhance the collection of customs duties.

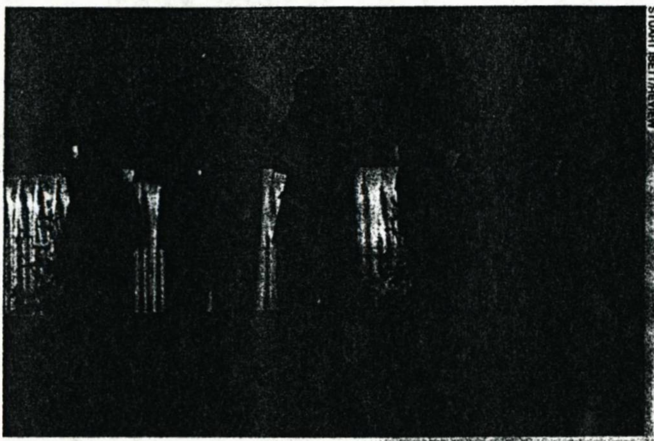
With rampant smuggling eating at China's ability to collect customs duties, authorities in Tianjin have begun a sweeping review of trading companies. The problem, authorities discovered, is that 21 senior Tianjin customs agents had relatives in trading houses, the only bodies allowed to register goods with customs. New regulations now ban trading houses from hiring relatives of customs agents.

But officials in the trading companies doubt the regulations will make much difference. "Chinese families stretch a long way," said the well-connected director of a Tianjin trading company. "How can you tell who is a relative and who isn't?" He added: "I don't know why investigators are focusing on Tianjin when the most corrupt customs agents are in the southern special economic zones."

Chic Shanghai police.

When it comes to fashion in the Paris of the East, even the police force wants to strut its stuff. Patrolmen in Shanghai now can be spotted sporting the ultimate in police chic: black leather bomber jackets with the logo "Shanghai Police" emblazoned across the back in English. No one can say the defenders of law and order in the city don't look cool. ■

DIPLOMACY


STUART ISETT/REVIEW

Such good friends in Bangkok.

A Whole New Game

Asia-European Meeting seems to recast relations

By Michael Vatikiotis and Shada Islam in Bangkok

It's been less than half a century since the last Europeans left Southeast Asia as colonial rulers. Now they're back—not as conquerors but as equals; not as aid donors, but in search of trade and investment.

At the first Asia-European Meeting, convened in Bangkok in early March, leaders from both regions spoke of turning their backs on history and building bridges to the future. Represented at the summit were the 15 European Union states, Asean's seven members plus China, Japan and South Korea.

How times change. It wasn't until mid-1994, when the EU adopted its Asia strategy, that it started to view the region with anything resembling respect. Impressed by Asia's growing economic clout and global political ambitions, the EU decided its own credibility and prosperity required an alliance with Asia.

As a result, gone is the focus on aid. Instead, Europeans used the Bangkok meeting to plead for Asian assistance to rebuild war-ravaged Bosnia. "Just as Europeans have decided to make a $6-million contribution to the fund for making North Korea's nuclear industry safer, Asians can help to reconstruct Bosnia," says European Commission President Jacques Santer. South Korea pledged $1 million in aid to Bosnia at the summit.

Gone especially is the relentless Western lecturing on human rights. "We've moved from confrontation to a normal dialogue on the question," stresses Manuel Marin, European commissioner for Asian relations.

The summit even managed to avert expected rancour over East Timor. Portugal's new prime minister, Antonio Guterres, surprised Indonesian President Suharto by using a face-to-face encounter to suggest that Lisbon and Jakarta end their stalemate over Portugal's former colony, annexed by Indonesia in 1976.

Indonesian officials were sceptical as they scrambled to formulate a response to Lisbon's offer—the restoration of partial diplomatic ties in return for the release of convicted Timorese rebel leader Xanana Gusmao. Indonesian Foreign Minister Ali Alatas says the Guterres-Suharto meeting was "important and historic," but insists that there's no hope of a settlement so long as Portugal insists on self-determination for East Timor.

For all the amity on display in Bangkok, trouble could still lie ahead. The EU intends to push the World Trade Organization's ministerial meeting in Singapore this December to link trade to labour rights. EU officials insist they aren't trying to impose a minimum wage on Asia's emerging economies, only striving to eradicate forced and child labour.

Not everyone believes that. Says Walden Bello, head of Focus on the Global South, a Bangkok-based non-governmental organization: "If a social clause is attached to trade agreements, it will be abused for protectionism."

The summit didn't adopt the ambitious trade-liberalization goals established by the Asia-Pacific Economic Cooperation forum, an 18-member grouping that includes the United States and most of Asean. But the EU is pushing for a new multilateral accord to liberalize cross-border investments. "European investors will not come unless they have the certainty of liberal regimes in the countries receiving them," says European Trade Commissioner Leon Brittan.

While some Asian leaders argue for less haste, both sides say the "close understanding" achieved in Bangkok must be kept alive through follow-up encounters.

"It's healthy to diversify our regional connections," says a senior Malaysian official. "We've been the backyard of Japan and the U.S. for too long." ■

HONG KONG

Nothing Major

British premier slips through town

By Bruce Gilley in Hong Kong

The last time John Major came to Hong Kong he brought news that China had agreed to a new airport. On March 4, the British prime minister offered the people of Hong Kong easy travel as well, announcing that they could go to Britain without a visa after 1997.

Some 2.4 million people will hold the passports of the future Special Administrative Region, and British officials guess that only about 14,000 a year will travel to Britain. Another 3 million already enjoy visa-free travel to the country on British passports shorn of residency rights, which London hopes Beijing will continue to recognize after 1997. Another million hold foreign passports.

The promise of visa-free entry—and a pledge to offer residency to stateless ethnic minorities facing pressure to leave Hong Kong after 1997—were the only scraps of good news during what was likely the last visit by a British leader before Hong Kong's handover.

VINCENT YU/REUTER

John Major rules on visas.

The sun is setting on British rule, as was evident when Major met Chinese Premier Li Peng in Bangkok at the beginning of his Asia tour. Major did not even receive an angry rebuff after arguing that Hong Kong's legislature and Bill of Rights should stay intact after 1997. Major said that to dismantle the legislature would be "a very grave mistake." But he stopped short of calling the move a breach of the agreement the two sides signed on Hong Kong in 1984.

Hard Hit

In what may be one of the unit's worst setbacks in years, Fretilin resistance fighters ambushed and killed five members of Indonesia's elite Kopassus (special forces) regiment at Liruca, north of the southern coastal town of Viqueque, in mid-January. The soldiers were in a truck, later spotted riddled with bullets in a military compound in Dili, the East Timor capital.

14 March '96

TimesFax Tuesday, April 9, 1996

BUSINESS

AirTouch, 3 Baby Bells Allied on Wireless

NEW YORK (Bloomberg) — Three Baby Bells and AirTouch Communications said they will market their wireless services nationwide under common brand names.

The alliance of AirTouch, Bell Atlantic, Nynex and US West Media Group, a unit of US West Inc., will market its services using the PrimeCo Personal Communications LP brand name, as well as the TalkAlong and PowerBrand names.

Marketing and branding of wireless services are expected to play an important role in the future as the wireless industry becomes more competitive, and companies try to gain brand loyalty with their customers. Many companies are preparing to offer new personal communications services, known as the next generation of cellular, and compete against cellular carriers.

TalkAlong and PowerBrand service brands will be used with the partners' individual wireless company corporate names, the companies said.

Combined, the wireless alliance players serve nearly seven million cellular customers, operate in 19 of the top 20 U.S. markets, and cover a population base of nearly 170 million in 46 states and the District of Columbia.

Foreign Exchange

	Fgn. currency in dollars		Dollar in fgn. currency	
	Mon.	Fri.	Mon.	Fri.
Australia	7830	.7825	1.2771	1.2780
Austria	.0951	.0961	10.408	10.408
Austria	0951	.0961	10.408	10.408
Britain	1.5310	1.5290	.6532	.6540
Canada	7367	.7372	1.3574	1.3564
Denmark	1747	.1747	5.7232	5.7232
ECU	1.25500	1.25650	.7968	.7959
France	1989	.1977	5.0265	5.0580
Germany	6777	.6741	1.4756	1.4865
Greece	.004173	.004150	239.64	240.95
Hong Kong	1293	.1293	7.7332	7.7332
Italy	.000642	.000639	1558.5	1565.5
Japan	.009318	.009287	107.32	107.68
Mexico	.133156	.133156	7.5100	7.5100
Nethrlnd	.6053	.6053	1.6522	1.6522
Norway	.1560	.1560	6.4083	6.4083
Singapore	.7115	.7127	1.4055	1.4032
Sweden	.1508	.1505	6.6334	6.6424
Switzerlnd	.8403	.8361	1.1900	1.1960

N.Y.S.E. Most Active Issues

	Vol.	Last	Chg.
LUCENT	8240600	30 3/4	+ 1/8
MICRON	5187900	33 5/8	+ 2 5/8
AT&T	4812600	60 1/2	− 2 3/8
FED NATL MTG	4137100	32 7/8	− 1
FORD	4078400	35 1/4	− 1/8
BAY NETWK	3510800	28 1/2	− 1/8
MERCK	3432700	61 7/8	− 2
MOTOROLA	3416300	52 1/4	+ 1/2
IBM	3352900	119 3/8	+ 1 7/8
WAL-MART	2735300	22 1/8	− 1/2

Nasdaq Actives

	Vol. (100s)	Bid	Chg.
Informix	308905	18 3/8	− 7 1/8
Intel Corp	144241	60 5/8	+ 1 3/8
Oracle Corp	143658	43 1/4	− 2 1/4
Iomega Corp	100050	35 7/16	+ 2 13/16
Cisco Systems	94908	46 3/8	− 2 1/8
Lm Erics Tel	55930	19	− 5/16
Dell Computer	53810	39 1/2	+ 2 7/8
Applied Materials	52486	36 7/8	+ 1 1/2
3 Com	47871	38 1/2	+ 1 1/4
Microsoft	46096	103 3/4	− 5/8

Amex Actives

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CHEYENNE	970600	15 3/4	+ 1/8
VIACOM CL B	879100	41 1/2	− 1/4
ECHO BAY	782800	14	+ 5/8
1ST AUSTR PRIM	695200	8 5/8	− 1/4
PEGASUS GOLD	587400	14 5/8	+ 3/4
AMDAHL	532100	10 1/2	− 3/8
TWA	378700	21 1/2	− 1/2
NY TIMES A	372600	31 1/4	− 3/8
IVAX	369700	25 3/4	−

Indonesia's Corrupt Leadership Threatens Future

JAKARTA, Indonesia — Take a cab here or a local flight, stay in a hotel, smoke a clove cigarette, watch a private television station, make a cellular phone call, buy a Mercedes or a Kawasaki motorcycle, put sugar in your coffee — in each case, some of the money lands in a business controlled or owned, wholly or in part, by a relative of President Suharto, Indonesia's longtime strongman. And beyond the first family, Mr. Suharto's closest friends control vast business empires, including monopolies and exclusive concessions conferred by the grace of the President.

Some things never seem to change in Indonesia, where nepotism, favoritism and corruption have long been ubiquitous. Small and medium-sized businesses pay licensing fees off the books. Judges are paid to settle cases. Sweetheart deals are struck between foreign investors and local interests. Indonesia is, in the view of Transparency International, a Berlin-based watchdog organization, the most corrupt country on earth.

Yet that is just one of the things that must change, economists and Government officials say, if Indonesia, like many developing countries before it, wants to get to the next rung on the ladder. A nation of 190 million people and 13,000 islands, Indonesia has already climbed from brutal poverty toward the lower tier of middle-income nations in less than three decades. But apprehension about the future is beginning to swell — even as the country, the most populous in Southeast Asia, seems poised to become the region's dominant force.

"We are at a crossroads," said Rizal Ramli, the managing director of Econit, a private economic research and consulting concern in Jakarta. "What will happen after Suharto? There's a lot of jitters."

By EDWARD A. GARGAN

Honda to Offer Electric Car

TORRANCE, Calif. (Bloomberg) — Honda said Monday that it would introduce a two-seat electric car in California in the spring of 1997. This makes Honda the second auto maker with plans to offer a specially made electric car. General Motors will begin selling and leasing its EV-1 model in Arizona and California this fall.

Briefly Noted

China Negligent on Film Piracy

BEIJING (AP) — A top representative of the U.S. movie industry appealed to Chinese officials Monday to end movie piracy in their country and allow foreign filmmakers wider access to their markets. Jack Valenti, the president of the Motion Picture Association of America, estimated the film industry is missing out on about $150 million a year in sales to China.

And there has been little improvement in the situation since China's copyright agreement with the United States last year, he told reporters.

More than a year later, U.S. officials say China has not lived up to the agreement, and they have threatened to impose sanctions worth $1 billion.

Rockwell Will Pay Record Fine

SEAL BEACH, Calif. (AP) — Rockwell International admitted three hazardous-waste crimes Monday and agreed to pay a $6.5 million fine because of an explosion that killed two men at its rocket engine subsidiary.

The fine was the maximum allowed and the biggest criminal environmental fine in California history, Federal officials said.

Aspirations of East Timorese people still put Jakarta in different world

WORLD VIEW

DAVID SHANKS

IN A WEEK that sees Tim Severin off on a remote Indonesian odyssey there is food for modern-day geo-political reflection.

He is following the route of a 19th century botanist, Alfred Russel Wallace, whose discoveries and theory of evolution identified at least two worlds within what's now one country; Indonesia.

Wallace was the first to say "the survival of the fittest". Beached with a bout of malaria he wrote from the South Seas to tell Charles Darwin, who gave him credit for coming to the same conclusion the master had independently drawn.

In its 51st year of independence an image persists of just another imitative empire

"The Wallace Line" bisects present-day Indonesia, the then Dutch East Indies, north to south. On either side he discovered completely different animal species.

East Timor is part of one of a chain of southern islands in that 3,000-mile wide archipelago. I'm led, perhaps misled, to stretch Wallace's point to the modern-day world of human political species and their habits.

UN-sponsored talks — they can't be called negotiations — were held this week in Austria about Portugal's former colony of East Timor.

Indonesia insists it is a country. It acknowledges vast differences within its east-west chain of about 14,000 islands and hundreds of tongues. Its founding fathers even invented a state system to contain religious difference — Islam, Hinduism, Buddhism, Christianity, though not the animism of Wallace's eastern extreme, approximately Melanesia.

Indonesia has played a central role in the Non-Aligned Movement and is working its way to an important regional status, trading friend of the west, and a model of development.

But in its 51st year of independence another image persists of just another imitative empire, driven cruelly from its political centre, Java, the world's most densely populated island containing 60 per cent of Indonesia's almost 200 million souls.

There has been rebellious, violent, protest this week in Irian Jaya, a Melanesian/Austronesian territory Indonesia "integrated" in the 1960s. An ongoing separatist movement in the western (Malay) side of the archipelago also questions Indonesia's official account of itself.

This week also saw an announcement that the leader of Indonesia's illegal trade union, SBSI, Muchtar Pakpahan, is to be tried again, in spite of being freed last December after an appeal to the Supreme Court. More will be heard of this case when the general secretary of the Indonesian Centre for Labour Struggles addresses a meeting in TCD this morning.

This week Indonesia banned, of all things, the *Reader's Digest*, apparently because it carried an outspoken article on East Timor's apostolic bishop Dr Carlos Ximenes Belo.

The bishop of Dili has been a consistent critic of the Indonesian occupation of East Timor since 1975 and its appalling record of human rights abuse there, which the UN's Commissioner for Human Rights, Mr Jose Ayala-Lasso, only yesterday called attention to.

Dr Belo was a key figure at last year's session of the All-Inclusive Inter Timorese Dialogue, resumed this week in Stadtschlaining, Austria. The bishop excused himself from this week's session on the grounds that he was preparing for his "Easter obligations".

Clearly he has thought it diplomatic not to place himself in the midst of conflict at Stadtschlaining, instead sending a representative.

When he visited Ireland last year I spent several hours with him. At the time there was a push from Indonesia's mostly Javanese Catholic bishops and the Jakarta government to divide his diocese in two and appoint a pro-government Javanese bishop to Dili.

Because of the delicacy of this negotiation his minder refused to allow our conversation to be published, for fear of offending the Indonesians.

Dirty tricks seem to be part of an overall Indonesian package. These include a current military push to finally trash the remaining guerrilla resistance in the East Timor highlands. At the same time Jakarta is going through the motions of dialogue.

Turning these talks — and more substantive parallel bilateral ministerial ones between Jakarta and Lisbon — into real negotiations is remote indeed. The Timorese peace process seems to be even more stationary than our own.

The two-dioceses plan seems to have been fended off for the moment, partly due to Dr Belo's presence in Rome for several weeks last year. But Rome has been perceived as wavering in its solidarity. A change of heart, however, was signalled during a visit to East Timor last month by Cardinal Roger Etchegaray, head of the Pontifical Council for Justice and Peace.

He spoke of the need to respect human rights, of dialogue as "the most effective way for producing solutions which satisfy all concerned".

But Rome's representative did not mention a Timorese "right to self-determination".

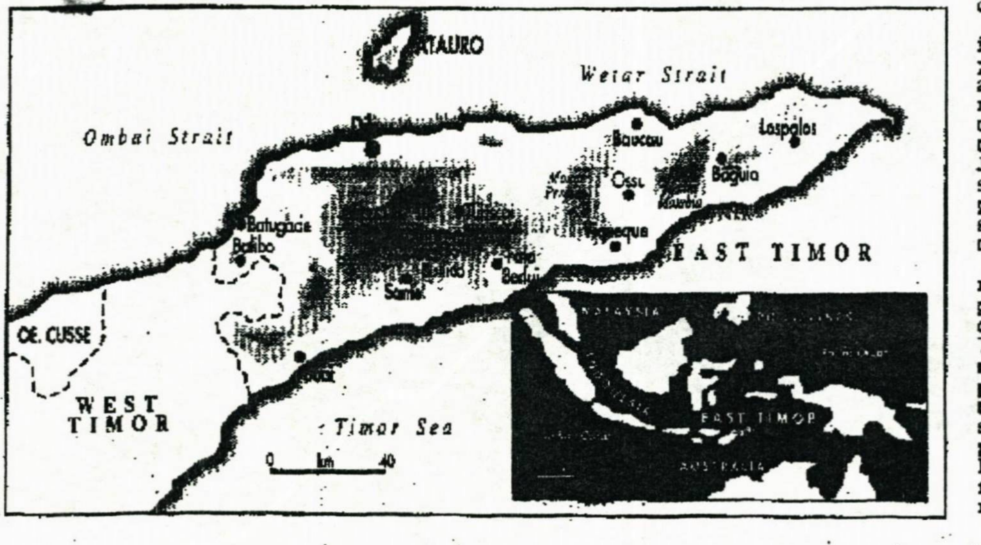
The Portuguese Prime Minister, Mr Antonio Gutteres, has offered Indonesia partial diplomatic relations if the jailed rebel Falantil leader Xanana Gusmao, is freed. The 30 or so participants in Austria heard President Suharto's answer to that from his Timorese "ambassador-at-large", Mr Lopez da Cruz (a supporter in the 1970s of a plan for eventual Timorese independence). The president said "sure" — if the highland rebels surrender.

The Austrian talks agreed on a communiqué tamer than one they came up with last year, which included mention of a 1982 UN General Assembly resolution calling for an internationally acceptable solution — diplomatese for "the right to self-determination". The Indonesians regard the mere mention of that as so much Timorese temerity. Croppy lie down.

Dirty tricks seem part of an overall Indonesian package

This week's communiqué confined itself to talk of the need to promote peace, stability, justice and social harmony. But the real news may lie in an agreed call for this dialogue between old enemies to become a permanent feature. Jakarta is afraid of that. Already several of Indonesia's Timorese puppet delegates have demonstrated an unfortunate tendency to think beyond their strings.

Dr Belo refuses to be cast in the role of an independence champion. But he has spoken of the death as a people of the East Timorese and last year he remarked to me: "If it were happening to the Polish people would the Pope be more outspoken?" He said: "The Pope tells me that he prays every day for East Timor ... But the position is nearer to the realpolitik. I don't understand it myself."



March 23 '96

ision to the country is taken
the Council of Ministers.

(4) The recent White Paper on
reign Policy states that the
vernment will be amongst
se "taking a lead" in ensuring
it the current Intergovernmen-
Conference results in a further
nificant improvement in the
nsparency of the European
nion in the future. — Yours,

DANIEL MULHALL,
Press Councillor,
epartment of Foreign Affairs,
Dublin 2.

MATORY VOTES

Sir, — FF ♡ FG. — Yours, etc.,
TIM SPALDING,
Ballynashannagh,
Kerrykeel,
Co Donegal.

CHILD NEGLECT

Sir, — The recent harrowing
ports of child neglect by the
ate in the 1940s, 1950s and
60s have shocked every think-
; person.

We trust that the sub-human
nditions in which thousands of
sh children are still forced to
e, without water or basic sani-
tion. will soon be rectified by
e "I Year National Plan for
avellers" (*The Irish Times*,
arch 28th).

Unless urgent action is taken to
ovide proper accommodation
travellers, we will, in times to
me, look back on the closing
rs of the 20th century as an-
er era of child neglect. —
urs, etc.,

LORETTA McVEIGH,
Chairperson,
ederation of Irish Travellers,
Strawhall,
Athy Road,
Carlow.

NPREMEDITATED ART

ir, — Music is a bonding be-
en people.

anny Boy has been subjected
arious interpretations. To its
lit it has survived. A Korean
on *The Late Late Show* in this
tiful air soared rapturously
Shelley's skylark: "In profuse
ns of unpremeditated art".
ic no boundaries. —
rs, e.

THOMAS STUDLEY,
well Road,
thgar,
ublin 6.

JTTERFLY BLISS

, — I saw a butterfly, on a
tiful, sunny day, in
emorris, Co Mayo, on April
Is this a record? — Yours,

ANNA R. QUINN,
de Park Avenue,
ckrock,
Dublin.

letters should be addressed:
rs to the Editor, The Irish
s, 10-16 D'Olier Street, Dublin
ase include telephone numbers
and evening) along with full
ss. The same procedure applies
ters by fax and e-mail. Letters
e edited for length and clarity.
gret we are unable to acknow-
unpublished letters.

INDONESIA'S POLITICAL SITUATION

Sir, — I recently read an article in your newspaper (March 23rd) written by Mr David Shanks, "Aspirations of East Timorese people still put Jakarta in a different world", and I noticed a lack of objectivity, impartiality and clarity in this article with regard to Indonesia's current political situation.

In your article, you mention, for example, that in its 51st year of the independence of Indonesia, another image persists of just another imitative empire, driven cruelly from its political centre, Java. Your opinion, as we notice, has always been directed typically and repeatedly by Indonesian detractors as one of their major campaigns. They have incessantly fabricated and manipulated this groundless accusation as if Indonesia is a colonialist power who oppresses those living throughout the archipelago. Their campaigns are clearly supported by certain NGOs and journalists abroad, but in fact, they are not supported and are thus not popular amongst the Indonesian people. As you might be aware, the Indonesian people are proud of their national motto which is "Unity in Diversity" which signifies the unity and uniqueness of the Indonesian people despite our diverse ethnic and cultural backgrounds. Thus, there is no political domination by one ethnic group towards another. What you have described in your article regarding this matter, therefore, has not mirrored with the actual situation of the Indonesian political situation, but simply taken the side of the anti-Indonesian camp.

Regarding the Muchtar Pakpahan case, you have certainly misunderstood the judiciary process in Indonesia in which it is quite possible for the defendant or the prosecutor to ask for judicial review of the supreme court's decision so far as there is strong new evidence or should the decision be wrongly applied. This is in accordance with our criminal procedural law and nothing to do with political motives. The prosecutor of this case has been convinced that the judge has made a wrong judgment over the Muchtar Pakpahan case. However, the supreme court is the authorised body to examine this judicial review.

You have further carelessly written that recently Indonesia banned, of all things, the *Reader's Digest*, apparently because it carried an outspoken article on East Timor's apostolic bishop, Dr Carlos Ximenes Belo. In fact, the Ministry of Information never banned the March edition of *Reader's Digest* in the country, and we have no problem with it whatsoever. The rumours of the ban arose following the publication by Reuters of an interview with a *Reader's Digest* spokesperson, Liz Dingwall, in which she alleged that the Indonesian government had banned the magazine's March issue. Therefore, your article is not based on an accurate source, but from rumours not reflecting the reality of what was happening in Indonesia.

With regard to the meeting between President Suharto and the Portuguese Prime Minister, Antonio Gutteres, relating to the partial diplomatic (interests section) resumption offered by the Portuguese Prime Minister, you have missed the point that this matter was proposed by the UN Secretary-General sometime ago whereby Indonesia accepted this proposal but the Portuguese declined it. But at this moment the Portuguese raised the issue which they themselves rejected and claiming that the ball is now in the Indonesian court. Nevertheless, Indonesia always welcomes proposals for a constructive dialogue to solve East Timor's problem which will finally be accepted by international society. So that's why President Suharto welcomes the proposal and has ordered the Minister for Foreign Affairs to seek the best possible avenue to discuss Portugal's proposal.

Your article also contains the accusation that dirty tricks seem part of an overall Indonesian package by corresponding the negotiation process and the military operation to trash the remaining guerilla resistance in the East Timor highland. What currently happened is that the military role in East Timor has been shifted from a military operation into a civic mission by helping the people to build up the agricultural sectors and basic infrastructures in East Timor so as to improve the quality of people's life. The amount of military presence has also been reduced significantly due to these developments.

Your article also states that the Indonesian government has tried to interfere with the role of the apostolic bishop in East Timor. As a matter of fact, Indonesia has never had the intention of interfering to reduce his role in religious affairs. Indonesia has also respected the role of the Vatican in administering Catholic churches and their bishop in East Timor. This is purely a matter of religious practice and should not be linked to political affairs.

In the article, you have relentlessly accused the East Timorese, who are pro-integration, of being the puppets of the Indonesian government. This seems to follow the campaign of the anti-integration camp. This comment is surely an insult to those who represent the overwhelming majority of the East Timorese who in fact chose independence through integration with Indonesia. It is obvious that you have put yourself in the anti-integration camp and totally disregard the aspirations of the majority of the East Timorese. Whilst you still lack the knowledge to comprehend the complexity of the East Timor problem, it is unfortunate that you have clearly misunderstood the issue based on your contact with certain sources and anti-Indonesian camps, and have not represented the whole perspective of the issue.

I do not however, claim that the publication of an article on Indonesia should present a beautiful and perfect picture. We do have problems and shortcomings, as do all countries in the world, but a comprehensive, objective, and balanced way of describing the situation by observing a strict impartiality principle in order to achieve greater understanding for your readers is however necessary. — Yours, etc.,

(Mrs)
HENDRATI S. MUNTHE,
Minister Councillor,
Head of the Information
Department,
The Embassy of the Republic
of Indonesia,
London.

Social and Personal

Exciting new arrivals for Spring and Summer now at Marise - The Boutique with beautiful clothes for all your special occasions. Sizes 10 - 20. Marise, 10 The Parade, Kilkenny. Ph: 056 65161.

Cocoon Lingerie, Bra Fitting Specialists. Royal Hibernian Way, Dublin 2.

IN TIME'S EYE

TIGER DUNG?

"How did that bagder get into my back garden?" asked a Dublin suburban dweller. "The walls are quite perpendicular." The answer, presumably is that the badger has powerful claws and can get a grip on most surfaces. Also, in spite of its apparent lumbering activity, it is in fact, extremely sinuous and springy. Though it hardly took a running jump. Just climbed. And this was not the first suburbanite to note the phenomenon.

And foxes have been able to climb into trees. Whatever hope you have of keeping badgers out of your garden, you have practically none with the fox. Unless, maybe, you have a Doberman constantly on the loose within the confines. And why, if you don't keep chickens, should you be so unhospitable to the fox? They are lovely animals to watch, as with the badger. (Beats watching blue tits any day.) And it's not unusual to see a couple of foxes, a badger or two, and one of the local cats, all feeding from food put out, side by side.

If you have a bowling green type of lawn, right enough, you might resent the badger's habit, in hard times especially, of making little holes to get at worms and whatever. And, espec-ially if there is no food left out for the night, you should make sure the lids of your bins are well screwed on.

Anyway, a man came into a garden shop recently and asked if he could buy a repellent for foxes. There are indeed preparations sold which, in pellet or dissolved form, are recommended to keep unwanted animals away from your vegetables or flower beds, maybe. Tried once to keep mice from digging up acorns planted in a bed, didn't work. Some of these preparations are believed to keep cats and dogs away, even.

But this customer had a different idea. He wanted a repellent against foxes. The proprietor didn't know of one specifically advertised for that purpose. He asked a friend who was something in the pharmaceutical or general chemical business. "Only one remedy," he said, "and it's tiger dung." Where was that to be got? "From the zoo, of course." "Don't tell them I told you." Now this was on April 3rd, not April 1st. When it was mentioned to a woman who gardens well, she said that of course everyone knew that. Would you have the nerve to approach the zoo? Could *you* never mind the fox, live with the smell.

Y

IRISH TIMES 9/4/96